

IN THE COURT OF THE TRANSPORT TRIBUNAL

TRANSPORT ACT, 1947—PART V

IN THE MATTER OF THE APPLICATION OF THE
BRITISH TRANSPORT COMMISSION (1953 No. 134)

TO CONFIRM THE BRITISH TRANSPORT COMMISSION (PASSENGER) CHARGES SCHEME, 1953

WEDNESDAY, 18TH MARCH, 1953

NINTH DAY

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PROCEEDINGS OF THE TRANSPORT TRIBUNAL

WEDNESDAY, 18th MARCH, 1953

PRESENT:

HUBERT HULL, Esq., C.B.E. (*President*)

A. E. SEWELL, Esq.

J. C. POOLE, Esq., C.B.E., M.C.

Mr. HAROLD I. WILLIS, Q.C., Mr. E. S. FAY, and Mr. KENNETH POTTER (instructed by Mr. M. H. B. Gilmour, Chief Legal Adviser to the British Transport Commission) appeared on behalf of the British Transport Commission.

Mr. H. V. LLOYD-JONES, Q.C., Mr. LEON MACLAREN, and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the London County Council.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. J. RAMSAY WILLIS and Mr. CHRISTOPHER HODSON (instructed by Sir Clifford Radcliffe, C.B.E., Solicitor and Clerk to the Middlesex County Council) appeared on behalf of the following County Councils: Middlesex, Berkshire, Buckinghamshire, East Sussex, Essex, Hertfordshire, Kent and Surrey.

Sir SHIRLEY WORTHINGTON-EVANS (instructed by Mr. Desmond Heap, Comptroller and City Solicitor) appeared on behalf of the Corporation of London.

Mr. J. RAMSAY WILLIS (instructed by Mr. W. O. Dodd, Deputy Town Clerk) appeared on behalf of Brighton Corporation.

Mr. G. R. ROUGIER (instructed by Mr. Archibald Glen, Town Clerk) appeared on behalf of Southend-on-Sea Corporation.

Mr. G. R. ROUGIER appeared on behalf of County Borough of Southend-on-Sea Railway Travellers' Association.

Mr. D. J. TURNER-SAMUELS (instructed by Mr. W. H. Thompson) appeared on behalf of London Trades Council.

Mr. GEOFFREY RIPPON (instructed by Mr. R. H. Buckley, Town Clerk) appeared on behalf of East Ham Borough Council.

Mr. GEOFFREY RIPPON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of West Ham Borough Council.

Mr. GEOFFREY RIPPON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of South-West Essex Traffic Advisory Committee.

Mr. C. OSMOND TURNER (instructed by Messrs. Carpenter, Wilson & Smith) appeared on behalf of London Passengers' Association.

Mr. GEORGE W. REYNOLDS represented London Federation of Trades Councils.

Miss DOROTHY D. FORSTER represented the Walthamstow Trades Council.

Mr. J. W. SYKES represented Edmonton Trades Council.

Mr. F. A. RULER represented the Federation of Residents' Associations in the County of Kent.

Mr. W. J. LUXTON represented The Association of British Chambers of Commerce.

Miss H. C. HART represented The National Association of Women Civil Servants.

Mr. N. J. LEWISOHN represented Whyteleafe & Kenley Residents' Association.

Mr. C. M. HAMILTON represented The Accountant-General's Department, Civil Service Clerical Association (Bickley Branch).

Mr. HYMAN FRANKEL represented The National Union of Bank Employees.

Mr. J. F. PLEYDELL represented Pitsea, Vange & District Resident Ratepayers' Association.

Mr. STANLEY MAYNE represented the Institution of Professional Civil Servants.

Mr. D. KELLY represented the South Essex Branch of the Communist Party.

Mr. J. E. MORRISH represented the Post Office Engineering Union.

Mr. J. REID represented the London North and London South District Committees of the Amalgamated Engineering Union.

Mr. ALEXANDER HALLIDAY represented the North London District of the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers.

Mr. D. J. D. WELLUM represented the Benfleet & District Railway Travellers' Association.

(*President*): Mr. Willis, is someone still dealing with corrections?

(*Mr. Harold Willis*): Yes, Sir.

(*President*): I see that Mr. Valentine is reported as referring to Clause 16 in the Bill. He obviously meant Clause 19.

(*Mr. Harold Willis*): Perhaps Mr. Valentine had a different edition of the Bill.

(*Mr. Valentine*): I added "as amended in Committee".

(*President*): Well, it is 19, so we might as well put it in.

(*Mr. Valentine*): We shall have to take the other words out, because I said "as amended in Committee".

(*President*): Yes, you were right in what you said, but not up to date in what you were referring to.

Mr. ALEXANDER BALMAIN BRUCE VALENTINE recalled.

Examination by Mr. HAROLD WILLIS continued.

2217. I think perhaps it might be convenient, Mr. Valentine, before you continue with your general evidence, if you could deal with one or two of the points which were raised yesterday afternoon in questions by the Tribunal.—Yes, I think there are two. The first was the President's question how many season ticket holders are there in the London area, and the answer to that is that in "Y" year there are on London Transport Railway 149,154 season tickets current.

2218. (*Mr. Poole*): That is on the London Transport Executive Railways?—Yes, and on the Railway Executive, London Lines, the figure is 282,525, a total of 431,679.

2219. (*President*): That means, in the case of London Lines, season tickets for journeys wholly within London Lines?—Yes.

2220. (*Mr. Sewell*): Is that the average number of tickets current at any one day in "Y" year?—Yes, and the journeys shown on Exhibit 502 represent those figures multiplied by 600, because that is the standard formula used in Ministry of Transport statistics for calculating season ticket journeys, 600 per annum.

The other point arose on Exhibit 511, page 124, of the 7th day, and the previous page. I think there were two points on which Mr. Poole wanted further elucidation. One appears on page 124, in the end columns for "Y" year, in the upper part of the table relating to country buses, where there is a large figure compared with the previous periods at the distance 7 to 8 miles, a figure of 8,862,000 odd. The explanation was, as I thought, due to the change in practice in the tickets used to cover

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journeys for that distance and greater distances. The 7 and 8 miles fare is by 1s. ticket now—at present fares—and since the last fares revision we do not normally supply, on country buses, tickets in excess of 1s., except where they are very long rides and a 2s. ticket is supplied. All journeys above the 1s. fare are covered by a 1s. ticket plus whatever other value is required to make up the full fare for the journey travelled.

The other point is the surprising increase in the journeys attributed to distances of 1 to 2 miles (second line). Both on country buses and on Central Road Services in "Y" year (country buses being on page 124 and Central Road Services on page 123). The main explanation of that is that since the last fares revision it has become possible to identify children's travel at that distance, 1 to 2 miles, because they have a separate 14d. ticket for the 3d. fare. Before that, when the ordinary minimum fare was 14d. and had not yet been increased to 2d., the children travelling up to 1 and 2 miles were provided with a 14d. ticket which could not be distinguished from the adult travelling up to 1 mile, and we had no means of making a correction for that, so up to "Y" year, but not in "Y" year, children travelling between 1 and 2 miles are incorrectly attributed to this category.

There is a second factor (to which, again, we cannot give any definite weight); rather as we expected, when the 3d. fare remained unchanged in the last revision but the 4d. fare went up to 5d., a good many passengers paying 4d. shortened their rides and swelled the volume of the 3d. traffic, which has become attributed to the one and two miles distance.

2221. I think that covers, does it not, all the points you have noted down to deal with at the outset of the proceedings?—Yes.

2222. Now may we go back to where we left off last night? You had just been making certain comparisons in regard to the off-peak cheap fare traffics inside London and outside London, and you had dealt first of all, with the relative charges in operation inside and outside, and you had given to the Tribunal a number of figures, in that matter, had you not?—Yes, the conclusion of those figures was this: that in respect of the type of traffic which might be the subject of cheap fares, the average charge per passenger mile to London Transport is 1.34d., and the corresponding type of traffic in provincial centres travels mainly at charges ranging at 0.9d. and 1.3d. per mile on cheap fares, varying in different areas, but with a proportion of the comparable traffics travelling in the provinces of 1.75d. per mile. That means that the London fares are almost as low, practically the same, as some provincial centres for that traffic, but might have to be reduced (but not by very much) to put them on the level of such fares in other centres.

2223. There is a second factor, is there not, which had to be taken into account in evaluating this matter?—Yes, in considering what are the commercial prospects of inducing additional travel in London by cheap fares, and knowing that it has been a successful proposition in many parts of the provinces, it must be remembered that the distances travelled by users of cheap day fares and similar concessions in the provinces are considerably longer than the generality of journeys in London. The point that I am trying to make is that the same percentage reduction in fares represents a larger money saving in the provinces and is a correspondingly greater inducement to additional travel, because the journey is longer. Where there is a potential traffic untapped reduction from, say, 4s. to 3s. is much more likely to attract it than a reduction from 8d. to 6d., or 1s. to 9d., although the percentage reduction is the same.

2224. And, of course, if the potential traveller is considering how much he is going to spend in the neighbouring town when he gets there, a saving of a few pence may not be thought to be very relevant, whereas the saving of some few shillings might well have a more important value?—I think that must be so.

2225. Is there a third factor, Mr. Valentine?—Yes, and I think this is far and away the most important one in explaining why the Commission take the view that there is not the scope for cheap fares in London for off-peak travel that there is in the provinces: that is that the volume of traffic already carried at the existing ordinary fares in London is very much more, even in the off-peak hours, compared with any typical provincial centre, and

the loss of revenue from the existing traffic which would result from a reduction of the fares could only be made good by an immense increase in the total volume of movement.

It is no doubt the case that any reduction in off-peak periods would induce some additional traffic which could be easily and comfortably carried, but if the reduction of fares below the level of ordinary fares were to be worth while (say 25 per cent., which is the figure suggested by some of the objectors) the volume of the off-peak travel would have to increase by no less than 33 per cent. before the existing level of receipts was reached, and indeed by more than that in order to break even on the net receipts, because some increase in certain off-peak periods would certainly be accompanied with consequent increases in operating costs, to carry additional traffic on that scale—a 33 per cent. increase. Having regard to the large amount of miscellaneous movement already taking place on London Transport Services, it is really inconceivable that during the working day, between the peaks, from 10 a.m. to 4 p.m., there are sufficient additional people at liberty to travel—however attractively cheap the fares might be—not enough to cause such an increase as 33 per cent. in off-peak movement.

2226. The thing that is suggested sometimes, Mr. Valentine, is that you ought at least—as I understand the argument—to experiment, for the purposes of seeing what would be the result of such a reduction in fares?—That has been suggested at this Inquiry, but the purport of such an experiment, to see how the traffic would respond to a lower level of fares, is one that has been observed in a different way. We have just recently obtained an experience—and extensive experience—of the effect of different levels of fares on the volume of traffic. In March last year we put up the fares—the ordinary fares which cover the off-peak travel to-day—by about 20 per cent., and we know approximately what proportion of traffic we lost in consequence. I think I should give the Tribunal the approximate figures of those losses.

Taking the whole of our London Transport traffics, the estimates laid before the Tribunal at the last Inquiry assumed losses of traffic amounting to 5.2 per cent. of passenger journeys. We have recently completed a study of an analysis of the traffic in different categories of fare, at different fare values, in October, 1952 (current fares), with a corresponding analysis in October, 1951, at the fares before they were increased, and we find, in fact, on a straight comparison of the two weeks tested that the passenger journeys are down by 4.6 per cent. That is on all London Transport traffic—all types. It is rather less than the loss that we allowed for in our estimates last year. The ordinary fare traffic, taken by itself, has gone down by 4.6 per cent., comparing October, 1952, with October, 1951, which compares with an estimated loss of just under 6 per cent. of our ordinary fare traffic implied in the estimates that we submitted to the Tribunal. Most of the loss that we expected, and most of the loss that occurred was, of course, on the minimum fare when increased from 14d. to 2d. The estimate included last year a 12 per cent. loss on the 14d. traffic which was increased to 2d. If we can rely on—and we have nothing better to rely on—the October, 1952, test weeks compared with October, 1951, we only lost just under 8½ per cent. of our minimum fare traffic. This minimum fare traffic is not involved, I presume, in anybody's proposal for the introduction of cheap day fares in off-peak periods, so it is important to discard that part of the story of lost traffic, and we find that having lost 8½ per cent. minimum fare traffic, we only lost 2 per cent. of the remainder of our ordinary fare traffic—that is at all fares above 3d., the 3d. fare being unaffected.

What I want to point out from these figures, which is relevant to this question of the commercial prospects of off-peak cheap fares, is that we put the ordinary fares in question up last March by roughly 20 per cent. and we appear to have lost about 2 per cent. of the traffic since then. It is not even, of course, certain that all that loss is due to the increase of fares, because, in fact, October, 1951, was a very buoyant period for traffic generally. But for the purposes of this argument, and to give the benefit of the doubt at all points to these advocated off-peak cheap fares, let us assume that the whole 2 per cent. loss on the ordinary fare traffic above the minimum fare was due to the increase of fares by 20 per cent. Now that gives us

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very definite experience of the effect on travel of fares at those two levels. If we were to revert to the fares we had a year ago for off-peak travel only, that would mean introducing cheap fares roughly 16½ per cent. below today. If when we put them up by 20 per cent. we lost only 2 per cent. of the traffic, how could it be expected that if we reverted to the previous fares we should do much more than regain the traffic we lost? It seems conclusive evidence that if we were to lower our fares in the off-peak period by 16½ per cent., we might expect to gain approximately 2 per cent. of additional traffic. But, of course, you need more than 20 per cent. of additional traffic to break even on the revenue.

It may be said that that is not quite the whole story, because some of the objectors may suggest that we lost practically the whole of our 2 per cent. of journeys at ordinary fares in the off-peak period only. I would not accept that myself, although it may have been and probably was a rather heavier loss in the off-peak period than at other times. But if we assume that the whole of the loss occurred in the off-peak period of the day—which I think is absurd—and that the off-peak period represents at its very lowest (and it is very low) one third of the day's traffic, then with those corrections the loss of off-peak traffic due to the increase of fares by 20 per cent. last March still is only 6 per cent., which is very short of the amount of traffic that we should need to recover and gain in order to pay for a reduction of off-peak fares by 16½ per cent.

Someone may say that we should get a much better effect if we went further and reduced them by 25 per cent., as some of the objectors have suggested, but it really hardly rings true to say that we know we need to recover more than 6 per cent. of traffic—which is certainly understating it—by a 16½ per cent. reduction, but somehow or other you would get 33 per cent. by a 25 per cent. reduction. The truth is that I am convinced there is not the untapped potential source of traffic in the off-peak periods to draw on in London (where there is already so much movement)—and if I may recall a phrase that a former President of this Tribunal used at one hearing, where can all these additional travellers come from in the off-peak periods when the bread-winner is at work, the housewife busy at her chores and the children are at school?

(Mr. Harold Willis): Thank you in regard to that matter.

2227. (President): Mr. Valentine, it does depend a little, does it not, what is meant—I do not mean by you, but meant by the Objectors—when they are referring to the off-peak traffic. It depends what hours of the day they are thinking about. The bread-winner, after all, is home again at some time, the children are in bed, the evening meal has been cooked, and, of course, if the off-peak traffic is to be, so to speak off-peak during two periods of the day, the middle of the day and after the evening rush period, those considerations would not apply, would they?—I was dealing wholly, and I thought the Objectors were concentrating mainly, on the question of off-peak cheap fares between 10 a.m. and 4 p.m.

(Mr. Harold Willis): It has not been particularised yet with any precision, of course.

2228. (President): No—I quite agree that the reasoning in that respect about the untapped potential of traffic is quite different from the evening, and our reasons for feeling that there is not scope for commercially profitable cheap evening fares largely rests upon two facts: That we are quite certain that there is a considerable change in social habits which tend to keep people more at home in the evenings, and in a later connection I was going to develop that, if I may leave it until a later stage. What I have said was primarily related to the mid-day period from ten to four.

2229. You are not going to produce figures of the attendances at cinemas, are you?—I have looked at them, but I was not going to trouble you with any.

2230. (Mr. Harold Willis): Having dealt with the experiential aspect of the matter, I think there was some point you desired to make at this stage in regard to one or two questions put by Mr. Rippon in connection with the Travel Survey?—I think that we really should correct some misapprehension that may have arisen out of some questions on the Fifth Day that were put to Sir Reginald

Wilson, which were put by Mr. Rippon with the object of establishing, as I understand it, that there was extremely little casual travel or pleasure travel in London, and that there must be a large untapped field for expanding it.

2231. I think the material questions start perhaps at No. 704, do they not?—May we look at the Travel Survey? Mr. Rippon was relying upon Table 16 at page 32, and was using the first figure in that table, which shows that 23 per cent. of all persons were making casual journeys. There are two comments on his use of the figure which led him to emphasise the point that 77 per cent. were making no casual journeys. The first is that that does not represent anything more than what it says in the heading, the number of people who made casual journeys on public transport during the three days prior to the day on which they were interviewed. From that it is not possible to deduce what their answers might have been if they had been asked what number of casual journeys they had made in the previous six days or the previous six weeks. They would not rise in proportion; they would never rise to 100 per cent., but it is not any clue in itself to the amount of casual riding which is done on the average by the public throughout the year or throughout any other period. But there is perhaps a more important point about those figures which makes them unsuitable for the use to which Mr. Rippon was putting them, and that is in the definition of the casual journeys.

2232. (President): That is page 9, the introduction, is it not, Mr. Valentine?—It is there too, I think, Sir, but I was going to refer to the table on page 19, which shows an analysis of regular journeys.

(Mr. Harold Willis): Would it be convenient, before we turn to page 19, just to look at how on page 9 the casual journey is defined: "A journey made regularly for a specific purpose but less frequently than once a week and those that occur at quite irregular intervals". That appears to be the definition attributed to the casual journey.

2233. (President): No, I do not think there is a complete dichotomy. One wants to look at the definition of "Regular travel" first.—Yes, that is the point to appreciate. Regular travel is not only regular travel to work or for business purposes, but is regular travel defined in wide terms, so as to include even one journey a week, provided it was made regularly and for a specific purpose. The casual journeys are journeys that do not come within the definition of regular travel and are additional to them. If you turn to page 19, you will see that in the analysis of the purposes of journeys classified in this Survey as regular travel, the headings show that work, school, shopping, theatre or cinema, sport and others are all classified in that table, and it includes 26 per cent. for theatre or cinema and 7 per cent. for sport—regular journeys at least once a week. The casual journeys that happen to have been made on the three days prior to the interview to which Mr. Rippon referred and which give no clue as to the annual volume or average amount of casual travel are quite different and additional to the regular journeys to the theatre and cinema, sport and other purposes. So that there is no doubt it is a long way from the truth to say that 77 per cent. of people make no casual journeys, in the sense of journeys other than their journeys to work or on business.

2234. (Mr. Harold Willis): To summarise the view of the London Transport Executive on this matter, would I be right in saying that both the Executive and their predecessors have always studied the possibilities of inducing not only additional traffic, but additional revenue, by concessional fares?—Certainly that is so. As I said yesterday, neither the Commission nor London Transport Executive have any prejudice against concessional fares, if they could convince themselves that they had a good chance of increasing the net revenue. I have given the reasons why I think there is no scope for that in regard to off-peak fares in London, dealing particularly with the middle of the day, but we go on studying the possibilities of inducing additional traffic in sufficient quantity to increase additional revenue by concessional fares. If we were to find substantial groups of traffic which were clearly fading away because the fare level was too high, we would very seriously think about the possibilities of introducing cheap fares to retain it and increase the traffic, but at the moment we have no evidence at all—all the

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evidence is to the contrary—that cheap fares would increase net revenue. Attractive as the policy would be if commercially sound, it is wishful thinking to suppose that cheaper off-peak fares would solve our problem, and it would be irresponsible for us to try a policy which we are convinced, with so much evidence behind it, would only increase the losses that would have to be made good by other traffic.

2235. Now may we pass to Section 4, which deals with the estimated effect of the proposals on your gross traffic receipts. The matter is set out comprehensively on B.T.C. 510?—Yes.

2236. I do not think we need look at all those figures in detail, but there are certain totals to which you wish particularly to call attention, and certain percentages?—Yes. In regard to the top sheet of B.T.C. 510, I thought perhaps the Tribunal might be interested to note what are the percentage increases in revenue represented by the principal figures in the bottom line.

2237. (President): You mean, to take London Lines as an example, you are going to tell us what percentage of £203m. is represented by £1,115,000, and so on?—Yes, we have worked it all out, and I thought you might like to have it. I can give it for any figure on the page.

2238. That will be enough to start with.—The ones you would like, it seemed to me, were column 3, which is 5.43, and column 13, which is the total London Transport figure, which is 7.37, and the grand total for the London area, the bottom right-hand figure, 6.92. That is the percentage increases represented by the net yield after allowing for some slight losses of traffic. I gave you the gross percentage yesterday at 7.72 for the whole London area.

2239. (Mr. Poole): Have you the itemised percentages relative to those particular fares in those columns? For example, you have £3,796,730 in column 13.—Yes.

2240. It is just in order to separate them out on both those two columns. Columns 3 and 13.

2241. Yes.—And column 15.

2242. And column 15, yes.—Yes. Taking column 3 first, line 1, 4.49 per cent.; column 3, item 2, 10.25 per cent., and column 3, item 3, 3.94 per cent. Then going to column 13, line 1, 6.96 per cent., line 2, 13.39 per cent., and line 3, 3.54 per cent.

2243. Now column 15.—Col. 15, line 1, 6.59 per cent.; line 2, 12.40 per cent., and line 3, 3.82 per cent. May I just make one comment on those last three figures, or particularly the figures for ordinary and early morning fares. It looks from those figures as if early morning fares are being increased by twice as much as the ordinary fares. Where increased, that is not the case; it is still 1d. single or 2d. return for any distance, but the figure in the case of ordinary fares is, of course, much lower because of the enormous volume of traffic at the 2d. fare and the 5d. fare which escape increase altogether.

(Mr. Harold Willis): May we pass now from the main B.T.C. 501 table to the supplementary tables?

(President): Some time, Mr. Willis—I do not want to have it now, if it is not in the order in which you propose to take it—we are going to be given some dissection of item 4, the miscellaneous charges, are we not?

(Mr. Harold Willis): Yes, we are, at a slightly later stage of the evidence.

(President): Very well.

(Mr. Harold Willis): That is £1,561,402 in col. 14.

(President): Yes.

2244. (Mr. Harold Willis): Yes, certainly. (To the Witness): Then Appendix A deals with the Railway Executive London Lines. I think the only thing you desire to point out there is that you have only allowed for a nominal discount?—Yes. The only thing I think it is desirable or necessary to call attention to on the next three Appendices, A, B and C is the allowance made for loss of traffic covered by paragraphs 40 to 44 of Statement B.T.C. 5. I would like to refer to paragraphs 43 and 44 first, if I may, because they deal with the big blocks of London Transport ordinary traffic respectively on their railways and their road services. In both cases, as you see, we have assumed a 1 per cent. loss of traffic consequent upon the proposed increase of fares at all distances, or the equivalent in the case of the road. It

works out at the equivalent of discounting on the basis of a loss of 1 per cent., but the point is made in both those paragraphs that in fact we would expect the percentage losses to be rather less at the long distances, where a flat increase of fares is being made and not a percentage increase, than at the shorter distances, and the allowance of 1 per cent. must not be regarded as a forecast applicable separately to each fare value. In view of that, of course, when we come to deal with the kind of traffic that is shown on Appendix A, Railway Executive London Lines and dealt with in paragraphs 41 and 42, we are dealing almost exclusively with the long-distance traffic, and we have for that reason adopted lower rates of discount than we have for the London Transport ordinary fare traffic on both rail and road, discounts representing an implied loss of approximately three-quarters of 1 per cent. in the case of the Tilbury Line ordinary traffic, and three-fifths of 1 per cent. on the Railway Executive London Lines day return fare traffic. Those are consistent with rather higher allowances for loss on London Transport, where the traffic is travelling, on the average, much shorter distances.

2245. Does that cover all you wish to say about Appendices A, B and C?—Yes, except that while we have those before us, if the President agrees, it might be a convenient moment, just to give fully, or as fully as he wishes them, the figures that I touched upon yesterday as the yield from traffic travelling 10 miles and over.

2246. (President): Yes.—I do not know in how much detail you want it, but you cannot extract it all from the Appendices exactly because in certain cases we have traffic grouped together which covers distances less than 10 miles and upwards, and we either have to make an estimate or a calculation in the office to segregate the passengers assumed to be travelling 10 miles and over. Unless you want it in great detail, I think it may be sufficient to say that the proportion of the use attributable to ordinary fares on railways, London Transport road services including coaches and on the Railway Executive London Lines at ordinary fares and day return fares for distances of 10 miles and over is £167,000 for London Transport and £230,000 for Railway Executive London Lines, a total of £397,000. That is taking ordinary fares only.

2247. I am puzzled about these calculations. Would you take Appendix C, which deals with the ordinaries on the road services, excluding coaches?—Yes.

2248. Namely, those are the services which are dealt with in B.T.C. 504, where you put your existing scale and proposed scale against journeys measured in miles?—Yes.

2249. The existing scale is 1s. 0d. for journeys of 8 miles?—Yes.

2250. Going up, of course, to 1s. 2d. for a journey of 9 miles?—Yes.

2251. What troubles me, turning to Appendix C of B.T.C. 510, is the calculations in respect of the last item "Ordinary existing single fares of over 1s. 0d."?—Yes.

2252. Does that mean all the fares over 1s. 0d. at existing fares?—Yes.

2253. It does? Then what is the total yield shown in B.T.C. 510, Appendix C of the proposed increase on those fares over the 1s. 0d. fare?—It is the figure in col. 5 for central road services of £1,967.

2254. And for the country buses, col. 8, £2,327?—Yes.

2255. That is the figure which troubles me. Those two figures make up £4,294, do they not?—Yes.

2256. Is that the expected discounted yield from the increases on all the fares which are at present over 1s. 0d. for the road services and excluding coaches? That must be so, must it not?—Yes, subject, of course, to the errors in any such calculation which arise out of double ticket issue.

2257. Yes, I know about that, but this is the estimate. You are hoping, if this Scheme be confirmed in full, to get from all the people who are travelling on road services, excluding coaches, who are now travelling at 1s. 0d. fares and upwards, no more than £4,294 from all those people, from the 1s. 0d. and upwards travellers?—There is very little traffic at those distances on central road services. There is rather more on country buses with their long country routes, but it is quite a minor factor. Of the

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[Continued]

figure I gave you just now of £167,000 of additional revenue on London Transport from passengers travelling 10 miles and over, only a small amount of £2,000 or £3,000 is attributable to the buses. The rest of it is all coaches and railways of London Transport.

2258. At any rate, we have that figure cleared up for the group of passengers who at present are paying on these two classes of service 1s. 0d. or more?—Yes.

2259. Whether they are a large or small group, they are to be asked to find another £4,000 odd?—Yes.

2260. Then may I just also get quite clear the figures for the group of passengers who are now paying 1s. 0d.; that is the 8-mile passengers. This is merely a matter of getting my addition correct. As I understand B.T.C. 510, Appendix C, that group of passengers, namely, those who are now paying 1s. 0d. for their 8-mile journey are being asked to find in future for central road services and country services £49,473?—Yes, Sir, but that, of course, is the point at which we get a little misled by this country bus practice of using the 1s. 0d. ticket in combination with another for journeys exceeding the 1s. 0d. fare. You will see there is a rather heavy block of traffic against country buses at the 1s. 0d. distance.

2261. Yes.—Considerably higher than at shorter distances, which is, in the nature of things, improbable. It is because it is inflated by this extra use of the 1s. 0d. ticket, treated, as we must for this purpose, knowing there is an error in it, as 1s. 0d. traffic. It is the same point that arose on B.T.C. 511.

2262. It had occurred to us that the difficulty of drawing firm conclusions from B.T.C. 511, owing to double ticketing, must apply equally to these tables?—Yes, particularly in relation to country buses, but not seriously, we think, elsewhere.

(President): Very well.

2263. (Mr. Poole): Is this practice confined to the 1s. 0d. ticket, this double ticketing. At present double ticketing is not only confined to fares over 1s. 0d., is it?—On central road services, if my information is quite up to date, the practice varies according to the demand on individual routes. The highest value ticket supplied is governed by the experience of the amount of issues. We do not give conductors large numbers of additional denominations for which they are hardly ever asked; so that there is not a rigid rule that the higher value ticket supplied is always the same from one bus route to another. The majority of country buses, however, have fairly long routes with a higher proportion of long-distance traffic than on the central area services, and wherever they are not too short to reach that distance we do not give them any tickets beyond 1s. 0d., except a 2s. 0d. ticket, if needed.

2264. I find in practice that usually on the central buses if I ask for an 11d. ticket they give me an 8d. and a 3d., I think it is?—Yes, that might be true on one route and not on another. If on another route there was a much larger demand for 11d. tickets than on the route you happen to have travelled upon, there might be an 11d. ticket supplied, though it would be uncommon—in fact there may not be a case of it—but it would not always be the same practice precisely from one central bus route to another. It varies with the demand.

2265. (Mr. Sewell): When you say that you do not supply the country bus conductors with tickets above the value of 1s. 0d., does that mean that that figure for over 1s. 0d. on your Statement B.T.C. 510, Appendix C, will include 2s. 0d. and upwards? You did make a statement yesterday, I think, that they would occasionally issue 2s. 0d. tickets?—Yes, the issue of 2s. 0d. tickets will be included under the heading "Over 1s. 0d.", but as you can see, it is quite small.

2266. Will there be anything other than 2s. 0d. and upwards tickets in that?—No, it is all 2s. 0d. in fact in the case of country buses.

2267. (President): Yes, in the case of country buses?—Yes.

2268. Of course, from the point of view of central road services, the great distinction is between the 10 miles' journey and the journey over 10 miles, because of the early morning fares?—Yes, but whether in the early morning period or later in the day, the amount of riding on the central road services for distances of 10 miles and over is really very, very small.

18864

(President): Very well, then.

2269. (Mr. Harold Willis): If it would be convenient, Sir, for Mr. Valentine to complete the figures. He had dealt with the ordinary fares giving a total of £397,000?—Yes, that was for ordinary fares. If you wanted the corresponding figure for season tickets including coach weekly tickets, added to that it would bring the total up to £652,000, divided at that point as between London Transport and the Railway Executive London Lines as £222,000 for London Transport and £430,000 for Railway Executive London Lines.

2270. (Mr. Poole): That is inclusive of the top figures, is it?—Yes, and if further you added to that, into the total, the value of the proportion of the yield from early-morning fares, the total would become £828,000, of which £273,000 would be on London Transport and £555,000 on Railway Executive London Lines. In those calculations there are certain arbitrary appointments, particularly of the very large figure of £300,000 from increase of Railway Executive London Lines season tickets, shown on Appendix H of which we have assumed two-thirds relates to ten miles and over.

2271. (Mr. Harold Willis): Then perhaps we might pass to Appendix D, which deals with the coaches, and I think again all you wish to refer to there is the question of the discount?—The distances travelled are longer, of course, than on the generality of other London Transport road services, and the traffic is very buoyant on coaches at the present time. We think that the additional increase being so small will have virtually no effect on the volume of traffic, and we have allowed no discount in that case.

2272. Then Appendices E, F and G deal with early-morning travel, and I think there is no special comment you wish to make there?—No. Again we have allowed an arbitrary loss of 1 per cent. of passengers except in the case of Railway Executive London Lines, where most of the early-morning fare traffic travels longer distances, and in their case we have just made a nominal discount, much less than 1 per cent.; the same approach really as to the season tickets. It is all set out in paragraph 48.

2273. Then the miscellaneous charges, and I think you are preparing, are you not, a reconciliation of these figures with the figures given on the last occasion, and I think you would prefer to defer that?—I would prefer to, some questions have been asked which are under examination and I have not had time myself yet to look at them.

2274. I think that deals, does it not, with that part of your evidence which relates to the Exhibits?—Yes.

2275. And there is a matter which you wish to deal with at this stage arising out of the question asked by Mr. Poole as to the percentage increase of the fares over the pre-war fares?—Yes.

2276. I think it was in connection with the percentage given by Lord Latham in his interview and in connection with the matters exhibited?—That is right, yes.

2277. Lord Latham gave the figure for London Transport costs as 130 per cent. above pre-war and London Transport's fares as 71 per cent. above pre-war; and even with the increase now proposed they will be no more than 84 per cent. above pre-war. These are the figures you were asked about and you desire to give some explanation of that?—Yes. The Tribunal remember that at the last Inquiry we produced an exhibit, B.T.C. 220 Revised, which shows the percentage increase in average charge per passenger mile represented by the London Area charges which were then being proposed, compared with the then existing charges and the pre-war charges. Now, at the foot of that exhibit it was stated that the percentage increases shown were based upon the Application of the pre-war charges to the pre-war traffic, and of the existing and proposed charges to the traffic of "X" year. As explained in paragraph 21, Statement B.T.C. 1, submitted at the last Inquiry, the distribution of the "X" year London Transport traffic, as between forms of transport, categories of fare and individual fare values, was made in accordance with the known distribution of the traffic disclosed by the detailed analysis of the actual traffics in October, 1950. That was the basis of Exhibit B.T.C. 220.

2278. (President): What is that paragraph in the Statement?—21 of Statement B.T.C. 1. The important words

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are: "made in accordance with the known distribution of the traffic disclosed by the detailed analysis of the actual traffic in October, 1950", which, of course, was not very long before the documents submitted to the Tribunal at the last Inquiry were prepared.

2279. (*Mr. Poole*): That is comparable, is it, with the analysis of the traffic receipts in pre-war time? Do you get an adjustment between the two?—Certainly, the pre-war average charge per passenger mile is calculated by reference to the pre-war traffic. It is what the pre-war passengers were paying on the average per passenger mile, then you compare that with what the October, 1950, passengers were paying at the then existing charges enforced in 1950. That is the position disclosed in Exhibit B.T.C. 220. All these percentages are percentage differences of average charge per passenger mile. The first thing we get is the average charge per passenger mile.

2280. Over the whole range?—Yes, over all the traffic passing in the year to which the statistic relates. In B.T.C. 220 at line 5, page 155, it is shown that the average charge per passenger mile on London Transport services would have become 80 per cent. above the pre-war figure if the proposals of the Commission then before the Tribunal at the 1951 Inquiry had been approved and adopted. In fact, of course, the Tribunal did not approve the proposals in full and the charges actually brought into operation on 2nd March, 1952, in accordance with the 1952 Scheme, represented an average charge per passenger mile calculated on the same basis, not 80 per cent. but 74 per cent. above pre-war. The further reductions of certain charges operative from the 31st August, 1952, following the Government intervention, reduced the figure from 71 per cent. above pre-war, still calculated on the basis of the August, 1950, traffic distribution.

The London Transport charges that will operate if the present Draft Scheme is approved would raise the average charge per passenger mile from 71 per cent. to 84 per cent., still calculated on the same basis. And those last two figures of 71 per cent. and 84 per cent. were both mentioned in Lord Latham's Press Conference on the 5th January; but, as you will appreciate, I have been emphasising that they were both of them calculated on the basis of the traffic distribution of October, 1950, and the figures have the defect of being based upon a pattern of traffic which has since altered in some detail.

They cannot really, now that later figures of traffic distribution are available, be regarded as up to date. Any such figures should be brought up to date from time to time as it would obviously be misleading to go on calculating the current charges per passenger mile by applying the current charges to a distribution of traffic that has altered. So as soon as a new distribution of traffic is known, it naturally requires a re-calculation.

The first detailed analysis of London Transport traffic since the present fares came into operation on 31st October last was made in October, 1952—it could hardly have been made earlier—and the result of this analysis showing the current distribution of traffic by forms of transport, categories of fares and fare values, was not available until a date in January after the Press Conference had been held. When Lord Latham gave the figures of 71 per cent. above pre-war for present day fares, and 84 per cent. if the proposals now before you were applied, he was using the latest figures available to him at that time. But we now have the job done of recalculating the average charge per passenger mile based on the present pattern of traffic; that is to say, the traffic as it was distributed in October, 1952. The average charge per passenger mile on London Transport services now works out at 63 per cent. above pre-war.

2281. (*Mr. Harold Willis*): That is instead of the 71 per cent.—That is instead of the 71 per cent. when calculated on the 1950 distribution, while the proposed charges would produce a figure of 78 per cent. above pre-war; that is instead of 84 per cent. when calculated on the 1950 distribution.

I think the 71 and 84 per cent. figures must now be regarded as out of date.

2282. (*Mr. Poole*): I am still a little puzzled, Mr. Valentine, as to how you make those percentages comparable, as this paragraph attempts to make them comparable, with the percentage of costs above pre-war, and

I am puzzled by the words at the end of the paragraph that Mr. Willis read out: "So we shall still be well short of parity".

Are you really taking care of all the factors which go towards making up revenue in your figure of the passenger mile? To compare a rise in cost and a rise in revenue one can understand; that is plain sailing. But a rise in fares is only a part of the rise in the revenue, is it not?—Yes. I think I know what you possibly have in mind. Part of the reason why a level of fares only 78 per cent. above pre-war, to use the new figure I have just given, could put us approximately on an even keel, despite costs being 130 per cent. higher than pre-war. One of the reasons is that the volume of traffic has increased.

2283. Quite, but is it not a little misleading?—I will mention some other reasons later, if I may.

2284. The impression left by the word "parity" rather reminds one of the price supports for agricultural products, about which we hear from the United States; they are always talking about costs and price supports.—I do not think it was intended to convey in any way that it would be necessary to raise the fares to 130 per cent. above pre-war in terms of average charge per passenger mile in order to secure the necessary revenue. Indeed, Lord Latham had just said the contrary. He had said that it would only be necessary using the best figure available then to raise them to a level of 84 per cent. above pre-war.

2285. Yes, that is quite true. It was that word "parity" which rather worried me. That is why I asked you to get out the information that you did get in the tables. It would seem to me there were two things important; one was a possible increase in the average distance travelled, and that I understand is taken care of in your passenger mile percentage.—Yes, because our statistic is not per passenger journey, but per passenger mile, which is the only way in which you can really measure the average level of charge.

2286. Yes, but you have really, in working out your percentage, taken care of your variation and the average distance of the passengers carried?—Yes, but it is that fact that brings down the figure which we now think it correct to give as the percentage increase above pre-war of current fares. When Lord Latham stated it we had no better figure than the 71 per cent. as the present level above pre-war. I am now giving you the figure of 63 per cent. because that is based on the changed pattern of traffic and it falls of course largely because of the diminished volume of traffic at the fare which has the highest charge per mile, namely the twopenny minimum fare.

2287. And it does not take account of course of the actual increase of traffic on pre-war. That is where we are scoring.—In relation to the 130 per cent., but the volume of traffic is reflected at each fare value.

2288. But relative to each other more or less, is it not?—In this sense, that it would not alter the average charge per passenger mile if you doubled all the traffic.

2289. That is what I meant; provided you doubled it all. It is relative to each other.—Yes.

2290. So an increase in the actual volume of traffic is going to reduce your overall percentage all the time, or it is liable to, or vice versa.—No, if equally spread over all classes it will leave the figure unaffected. It is only if there is a change in the distribution.

2291. Yes, I see.—And you get more traffic travelling at the twopenny fare, twopenny a mile, and less at early morning fares. Then of course your average charge per passenger mile for the traffic then travelling would be higher because they are choosing the dearer fares and not the cheaper fares. If you lost a lot of ordinary traffic to early morning fares without changing the volume, if they just travelled earlier, the average charge per passenger mile would fall because more of the passengers would be choosing to travel at the cheaper rates. It is that kind of change; any change in the relativity and the volume of traffic at different kinds of fare, each at different rates per mile, alters the average charge per passenger mile figure.

2292. (*President*): Anyhow, Mr. Valentine, as I understand it, if you took all the people who were travelling, at whatever date in October you chose (you made your test on dates in October), and added up what they had spent at the end of the day and expressed it as being

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178.8 units of money, you would be able to say, if those same people had done those same journeys pre-war, they would have spent 100 units.—No.

2293. No?—No; the pre-war calculation of average charge per passenger mile pre-war is not based on the present day traffic, but on the actual traffic that travelled pre-war. We could not reprice our existing traffic at pre-war fares. There have been such vast differences in services. If pre-war fares were in operation the traffics would be different. It would not be a realistic figure at all to produce the cost of travel or the average fare paid for one traffic travelling in 1939 with the fares applicable in 1950. The only way we can get at an average charge per passenger mile (that is a figure that is fixed and does not alter) for pre-war is to divide the total money paid by all the passengers who were travelling in 1939 by the number of passenger miles that they have travelled.

2294. That, for my purpose, I am saying is 100, whereas now all the passengers now travelling at the number of miles they travel, the rate per passenger mile is 78 per cent. above the pre-war rate.—No.

(Mr. Harold Willis): It is 63.

2295. (Mr. Poole): It will be 78 at the new charges if this.—If this is approved and applied as we propose.

(President): I think at the moment I understand it. I may cease to understand it later on, in which case I shall trouble you again. I think Lord Latham's statement still, Mr. Valentine, was a little over-concise in the use of the word "parity".

2296. (Mr. Harold Willis): Then, Mr. Valentine, I think you had the small comment to make on the incidence of the proposed increases on costs of journeys to work.—Yes, I think that is information that the Tribunal ought to be offered, and may be of interest to the objectors as well. We have recently undertaken a special investigation with the object of ascertaining the incidence of the proposed increases on the cost of travel to and from work. It has to be recognised that although no fare for an ordinary or early morning single journey would go up by more than a penny under our proposals, and no day return or early morning return fare would go up by more than twopence, there are some passengers whose journeys involve a change from one road vehicle to another, or from a road vehicle to rail, or vice versa, and who would be liable to pay—not certain, but liable—an increased fare on both parts of their journey. We were anxious for our own satisfaction to know if we could find out what effect that would tend to have.

Again one can only resolve the question by an average answer of some sort, of course; but the extent to which this would occur could not be deduced from available traffic statistics. Fortunately, however, some use could be made of the London Travel Survey information, which did record details about journeys to and from work. I am not going to refer you to the Travel Survey because it was the material behind the Travel Survey which had to be raked up for this, and it cannot be produced from what was published in the book. The raw material of that Survey did include detailed information about the journeys to work of the people who were interviewed, the manner in which they travelled, the places between which they went and what changes (if any) they made. We therefore were able to calculate by a fresh piece of research, based on that raw material, the proportion of London workers using London Transport services for their journeys to and from work who would pay different additional amounts per day for their journeys.

The results of the investigation are these. They show that the workers in the London area using London Transport services for their journeys to work would be divided in the following proportions: 29 per cent. would pay nothing additional at all.

2297. They would pay the increases?—No, they would pay the same fares as at present. They would be travelling at fares unaffected by the proposals; namely, twopence and fivepence, and they would pay no additional fare over what they are paying today. Thirty-five per cent would pay an additional penny a day, and 29 per cent. would pay an additional twopence a day.

2298. (Mr. Sewell): When you say that they would pay an additional penny a day, do you mean a penny

a day each way?—No. You see, the quite important fares are raised by a halfpenny.

2299. Thank you.—This is travel to and from work.

2300. Leaving a balance of only 7 per cent. who would pay only a penny a day more, usually threepence.—Those figures can only be treated as an approximation; they cannot be exact. They come from sampling methods and they come from samples made in 1949. I am told that the possible margins of error due to the sampling methods in this case are quite small. On the other hand the figures being unavoidably based on the pattern of travel in 1949, because there is no later material to work on, may be subject to some error on that account, though one would not know which way. There is no clue to that. A similar investigation in relation to the present travel pattern might possibly produce slightly different results. So the figures should not be treated as more than an approximation of the facts, but I think they are reasonably near the mark.

2301. (Mr. Harold Willis): I think you also pointed out that those proportions are proportions of workers using London Transport services and not proportions of all workers.—That is right, because there was insufficient basic material to provide an adequate sample to extend it beyond those using London Transport services.

2302. I think, Mr. Valentine, this might be a convenient point in your evidence to deal with the question Mr. Poole raised on the first day in regard to the extensions. You will recall, Sir, that on the first day you said, "Another point about which I would like to ask is this: perhaps Mr. Valentine in his evidence will be able to tell us more about the extensions of services which have been made and are in existence, but which are not yet profitable. One recognises that any extension makes a loss for a time, and there is a certain period when it does become a profitable service. Perhaps Mr. Valentine would give us some sort of estimate of what extensions there are which are unprofitable and when they expect them to come onto the profit making side. Probably he will do that in his own way, but he will know what is in my mind I am sure." And you are endeavouring now, Mr. Valentine, to deal with that not very easy matter.—There is one point we were not quite sure about, and that was whether Mr. Poole was referring to railway extensions or to extensions of road services, or to both.

2303. (Mr. Poole): I was thinking principally in my mind of road services, but I was thinking of any services that are likely to affect your future income.—I had thought probably your answer was going to be that you were thinking mainly of railways and Central Line extensions, and as to whether there was more to come from them. But if you are interested in that point I could deal with that quite shortly.

2304. Yes, anything which raises revenue.

(Mr. Harold Willis): Perhaps you will deal with railways first.—I take it when you used the phrase "extensions which are unprofitable" you were not really turning your mind to a complete analysis of the net receipts.

2305. (Mr. Poole): I was thinking, Mr. Valentine, in a very general way, that in a progressive organisation you have to meet demand continually with extension; you have to meet demand and in the first case it is probably unprofitable. You have to make extensions which perhaps are not paying your expenses because you are looking ahead and knowing the traffic is going to come after a time, so there is in your revenue a certain amount of potential, or there should be a certain amount of potential, which you are expecting to bring in net revenue in a comparatively reasonable time.—Yes. The only extensions we have completed since the war are the Eastern and Western extensions of the Central Line. Partly owing to the long delay in their construction due to the war they developed a fairly substantial traffic almost immediately they were opened, and very decisively so at the East end where the relief to the existing transport facilities was long overdue. Nevertheless there were further developments to come, because at the time the extension was first open little progress had been made with the large London County Council estate at Debden just beyond Loughton, and a good number of other housing developments were in progress from which additional traffics might in due course be expected. But by this date, so far as the Eastern end of the Central Line was concerned, the

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new housing estates at Debden, Hainault, and Roding Valley, are 98 per cent. complete; they have involved an additional population of nearly 30,000. They have, of course, increased the volume of traffic at the Eastern end of the line, but there is practically no further development to come, or very little, nothing dramatic at all.

At the Western end of the line, which has never attracted quite as dense a traffic as we get from the Ilford, Loughton and Woodford areas, there is an estate in course of development at Northolt, where an additional population of 3,000 houses has still to come. That should increase in a small measure the traffic on the Greenford and West Ruislip extension of the Central Line, but beyond that there is again nothing substantial in the way of new development planned. The Central Line can be said to be very nearly fully fruited, and there are no other extensions involved. If that is sufficient on the railway point, I will deal with the road.

With regard to the road services, post-war developments, apart from tram conversion, have mainly taken the form of providing additional facilities at peak periods, and of providing new services for new housing estates and factory developments, or in those cases where public need dictated that an additional service had to be given. In so far as the mileage that was put in served to ease the bad conditions of overcrowding, or inconvenience which resulted from war-time service cuts and shifts in demand, it could not of course be expected to make a full contribution to costs. Similarly, much of the mileage introduced to meet public needs probably yielded little more than the costs of operation.

What the efforts of the Management are directed to is insuring an adequate return from the services as a whole, with due regard to public need. For this purpose we do study closely our takings and our costs on the individual routes and adjust individual services wherever it is practical to minimise losses and improve the earnings; but it is not possible to get away from the inevitable need for providing services which are essential for the requirements of the public but which cannot pay their way.

2306. And never will, as far as one can see.—As far as one can see. Others may only yield about enough to break even, and others will be the services on which the surplus has to be earned. But most of the new services, in fact I think I can say all the new services which have been put in and are being put in, are put in not for a commercial objective but to meet a definite public need.

We have of course made careful analyses of costs and receipts for individual routes as a special task at times; normally we study the individual earnings of separate routes, bearing in mind the average cost per car mile of the whole of the operation.

In 1950 we took out analyses of the individual costs of bus routes, or small groups of bus routes that were related, to compare them with their own earnings because the average cost can differ a good deal from the actual when you break it down to individual routes.

Those analyses show that on Monday to Fridays, out of 190 double deck routes in the central bus area, 117 yielded a surplus, let us say, after meeting interest charges on the capital assets employed in those particular services; 70 were in deficit; three just about broke even.

Of course you cannot quite judge what is meant by those figures without knowing whether they were long routes or short routes in each category, so that converting it into a more comparable statistic of mileage run by these routes, 70.2 per cent. produced a surplus over all costs including interest, and 22.3 per cent. resulted in a deficit. The balance of those were double-deck routes, but a similar analysis in respect of single-deck routes showed that 87 per cent. of the mileage being run by single-deck buses in London was run at a loss. That is in the Central Road Services. In practically every case we would convert these routes into double-deck services if physical conditions allowed. They are either prevented by overhanging trees or weak bridges, or something of that kind; or low bridges, which is practically the commonest factor and the one which I should have mentioned first. That position of course as regards the proportion of the mileage

which was remunerative and the proportion which was unremunerative was in 1950, and the position will have worsened at present because costs had not increased more than charges and receipts at that particular time. There will always be inevitably, even if the Undertaking is running on an even keel as a whole, quite a substantial proportion of bus routes which will be unable to meet their full costs, their individual full costs.

2307. Yes.—Further housing development cannot be expected in itself to materially improve the position of the transport system as a whole. We get additional mileage to run. We get additional traffic receipts with augmentation of country bus services to meet large developments going on in the country, including the new towns, but mainly that must be in the last analysis diverted traffic, because the population of the London Transport area, though it has been rising as you can see from the statement at the back of Exhibit 511, is now practically flattening out and becoming stabilised. If the new towns within the area develop and appear to be bringing us large additional receipts, and when the buses serving them have fully developed their traffic, it may be impossible to trace them elsewhere. They may be receipts drawn from losses in other parts of London, travelling in the new towns instead.

2308. I suppose the housing estates in the suburbs of London are largely becoming self-contained with shops and schools and so on.—I think that is a difficult thing to generalise on. I think it varies from time to time. There seem to be periods in which the public do come more to the central area to shop and then revert to suburban shopping, but on the whole I would say that the tendency is for more suburban shopping and less central shopping in total than pre-war. We have had some careful economic study on that, and if it is wrong I would like to correct it, because it should not go on record wrong.

2309. (Mr. Harold Willis): If you build housing development the policy is that you should provide in that site local shops and schools—on the site. I think that is the policy. So you get what is commonly called "a neighbourhood unit" where people can exist with most of the facilities without going far afield.—Yes, if it is large enough, some of the new towns may produce quite a good local movement of traffic from the point of view of our receipts. But a lot depends on the habits of the people; one cannot really foresee at this stage.

(Mr. Poole): Thank you, Mr. Valentine. I think you have given me all the information I wanted on that. If I think of something else I will ask you later on.

2310. (President): I suppose, as between groups the older group travels more than the younger group, Mr. Valentine?—Age groups?

2311. Yes.—I do not know what information we have on that.

2312. I am wondering if you hope to reap any advantage from the fact that the older age groups in the population are increasing proportionately to the other; in other words, we are all living a bit longer?—I should not have thought there was a large gold mine in that.

(Mr. Turner-Samuels): Table 616 in the London Travel Survey.

(President): I have been looking at that

2313. (Mr. Harold Willis): I think we may pass to the section of your proof which is dealing broadly with the scale and efficiency of operations, particularly of the London Transport operations?—Yes

2314. Can we approach the matter in this way, that it will have been apparent from the evidence of Sir Reginald Wilson and his Statement 4 that increased costs have been and will remain the principal factor affecting the financial results of the Commission's London Area operations?—Yes.

2315. But do you take the view that while these increased costs are mainly due to increased wages and higher price levels, the total costs at any wage and price level can be influenced quite substantially by the scale and efficiency of the service provided?—Oh yes, clearly.

2316. And it is to deal with that aspect of the matter that the next section of your evidence is going to be devoted to?—Yes.

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2317. Are the facts with regard to the scale of operations, namely, what was worked in 1952 ought to be worked in "Y" year, set out in B.T.C. 5, paragraphs 7 to 127—Yes, on which I enlarged to some extent yesterday.

2318. First of all can we deal with the broad question of the economical planning of road services?—Yes. Perhaps I should start by saying that it is the primary function of the operating and commercial departments of London Transport to keep under active and continuous review the volume of service provided on every route and the cost of the schedules.

In the case of the road services which are more flexible and susceptible to detailed adjustment than the railway services, there is a regular organisation for the collection and interpretation of information about traffic movements and changes in public requirements. This information is obtained from quite a number of sources, we have systematic passenger loading records. There is contact with local transport groups regarding factory hours, changes in employment and contact with local authorities regarding housing development, contact with education authorities regarding school traffic and, of course, extensively all over the area, the observation of operating officials and staff, and in the office, the study of individual route earnings and trip earnings.

2319. Arising out of all this information, Mr. Valentine, are proposals constantly being made for the adjustment of the proposals constantly being made for the adjustment of the layout or frequency of the service or group of services?—Oh yes, there are constantly being made adjustments, or proposals at this stage, shall I say, for adjustments of frequency and layout of services which is changing in part the routine, or reorganising a group of routes so as to eliminate as far as possible any waste mileage operated. Each proposal of that kind is examined primarily from the angle of cost, the object broadly speaking to ensure that the transport facilities required, which can often be provided in more than one way, are so designed that they call for the minimum number of vehicles and staff to satisfy the public requirement.

It is a two-way business, the traffic side and the commercial and operating side are constantly putting up proposals to the Schedules Department to work out the detailed timetables and duty rosters which affects so much the staffing costs of the services. But conversely the Schedules Department who are constantly examining what we call the schedule efficiency of the individual services, that is schedule efficiency in terms of vehicles and staff employed for work done, they often initiate adjustments to the layout or frequency of a bus route, designed to save vehicles and staff without material loss of convenience to the public. Where there was not a need for an adjustment from the traffic point of view, a proposal for one which can be made without materially affecting the convenience of the service arises from the schedule side in their search for more economical operation.

2320. Is it your view, Mr. Valentine, looking at the matter generally, that the scope for reducing costs by these means is rather limited?—That must be so, partially, of course, because these careful and thorough procedures have already been vigorously followed for so long, but partially also for more fundamental reasons. The main limiting factor generally speaking is that it is only at the peak hours that any really substantial savings of costs could be effected by reductions of mileage. It is, with rare exceptions, the peak-hour demand that governs the number of vehicles owned, licensed and maintained, and it is very largely, though not quite to the same extent, the peak-hour services that govern the numbers of operating staff employed.

2321. I suppose, Mr. Valentine, by reducing your peak-hour services, you could, in fact, effect substantial economies?—Oh, certainly, reductions of peak-hour services would yield substantial economies, but only at the expense of increasing the time spent by the public in waiting in queues, and reverting at least some way towards the unacceptable conditions and delays which prevailed in 1946 and 1947 and even later than that, when the shortage of buses was really acute.

2322. Is it your general experience that the pressure from the public is all the other way round?—Indeed it certainly is. The pressure is all for further improvements of the peak-hour services, and it must be admitted that

there are still places where, at the height of the peak periods, passengers regularly wait for accommodation on the road vehicles for even more than 15 minutes.

2323. Do you therefore find that the inevitable tendency is not for reduction in economies of peak hours, but for augmentation in services to meet the sort of need you have just referred to?—Yes, and such need for augmentation does become irresistible from time to time, such as in places where the changes in volume of traffic have occurred and it has become essential to strengthen the service in order to avoid quite unreasonably long waits in queues. Usually, of course, such peak-hour augmentations involve the high cost of providing one or more additional vehicles and groups with little prospect of earning additional revenue by attracting new traffic, but simply in order to carry the passengers.

2324. Notwithstanding all that, Mr. Valentine, do you nevertheless in special circumstances find opportunities of saving mileage, vehicles and groups even in the peak hours?—Oh yes. That happens in a very small way from time to time on individual routes which have fairly dense services, and you can reduce the number of trips by one if there is a slight change in the volume of traffic, though the scope for that is small. But we have had experience of cases where, after a careful survey of traffic, an opportunity is received of saving some mileage, some appreciable amount of mileage, and groups even in the peak hours.

2325. As an example of that there was a tendency in 1951 for trolley-bus traffic to decline.—Partially because of transfers to central buses in consequence of the equalisation of fares, particularly early-morning fares in October, 1950, and partially because of the greater popularity of the new standard London double-decked bus known as the R.T. bus, which is steadily replacing the less attractive pre-war types. Much of the reduction of the trolley-bus traffic, so far as it occurred at the peak hours only, had the effect of reducing to a small extent the length of time for which passengers had to wait in queues or the length of the period from which the queuing persisted, which is rather a different point. It did not, therefore, present any opportunity to reduce peak hour mileage but, after quite detailed research, it was found possible to thin out the services, even at the peaks on certain routes—only on some routes—and some reductions of late evening services were also made. By the beginning of 1952 trolley-bus mileage had been reduced by roundly 2½m. miles per annum or nearly 3 per cent., as a result of a really careful research of the places where we could do a little trimming and thinning of the services to take account of this decline in the trolley-bus traffic.

2326. Did that enable you to make a reduction in crews of 2.6 per cent.?—Yes. The 2½m. miles per annum cut was not just a cut made leaving the crews paid for and idle in the depots. We got an almost proportionate saving in the number of crews required of 2.6 per cent.

2327. Have you been able to maintain that lower level of mileage since?—Yes, it has in fact been maintained until last winter when we made certain further, but more modest, adjustments reducing mileage on the trolley-buses, to which I will refer later, if I may.

2328. What, in terms of money, does that reduction which you have referred to, work out at?—That represents an economy at the rate of roughly £125,000 per annum. That is what was done on the trolley-buses at the end of 1951 and the beginning of 1952.

2329. So much for the peak position, Mr. Valentine: I think one can say that, in general, you feel confident that public opinion would not favour a reduction in the costs of London Transport by any substantial alteration of the peak hour standard of service?—No, I think all the evidence we have goes to show that that is so.

2330. Then perhaps we may now look at the other side of the picture, the question whether economies can be made by reducing off-peak services.—London Transport Executive are constantly searching in detail for opportunities to do this, to secure economies by a reduction of off-peak services, and they have in fact, within the last six months, made a lot of small adjustments in the services outside the peak hours to accord with changed traffic demand, and they have reduced their costs in the process. But the scope for economies, even in the off-peak periods, is very limited. Just because the numbers of vehicles

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and operating staffs employed are mainly governed by the peak requirements, the economies obtainable by reducing off-peak mileage below its present level would often be confined to the items of expenditure which vary directly with mileage, that is to say, principally the cost of fuel oil, or electric current in the case of trolleybuses, and the wear and tear of tyres.

2331. I think you can give the Tribunal some figures of operating costs, showing the proportions attributable to various factors in the total cost per car mile?—Yes. The total operating costs of central buses, for example, average to-day roundly 2s. 5d. per mile, but of this total roughly 11d. represents costs which do not vary with mileage and which would not be saved.

2332. (President): Did you say 11d.?—Yes, Sir, 11d. By cutting off-peak mileage. That 11d. is in respect of expenses dependant upon the number of vehicles owned and maintained, including depreciation. A further 1s. 6d. per mile represents wages, out of the total of 2s. 5d. including clothing and National Insurance of the drivers and conductors, and that can comparatively seldom be saved by cutting the off-peak mileage since most of the off-peak services are worked by crews who have to be employed for peak hour operations and paid a full day's pay in any case. Only 6d. a mile of the average cost—2s. 5d.—relates to fuel, tyres and certain maintenance expenses which do vary with the mileage run. So that the withdrawal of off-peak mileage would currently save only 6d. a mile, except in the minority of cases where a crew—a driver and conductor—can be saved as well. However, it is, of course, for that minority of cases that we have to search, where any reduction is compatible with giving an adequate public service.

2333. (Mr. Harold Willis): That being the position, Mr. Valentine, does it follow that off-peak services are therefore likely to be remunerative at a quite low level of loading?—Yes.

2334. When you have once established your peak need?—Once the necessity for providing the peak services has been accepted, it follows of course that off-peak services can be remunerative at quite low levels of loading in the sense that our net receipts are better off if we run them and only earn, in some cases, 7d. or 8d. a mile, rather than leave the vehicles and crews standing idle in the garage.

2335. Is there another factor affecting off-peak traffic, that on week-days and the whole of the Sunday traffic is vulnerable in the sense that it includes a bigger proportion of operational travel which might be discouraged if the intervals in the service were too wide?—Yes, that is certainly an aspect of this matter that has to be most closely watched. If services in the off-peak periods are not fully loaded, it does not follow that the intervals can be widened until a sufficient load has accumulated to fill them and to utilise all the seats, because so much of our traffic is only attracted to use the buses at all because they have not got to wait too long, and the interval is quite a vital matter, the interval between one bus and the next, in determining the volume of the traffic, especially, of course, for short rides, so that the maintenance of the right interval, or at least not leaving too wide an interval, is a most important factor in our commercial policy.

2336. It sometimes may be thought, may it not, that in the central parts of London, in the off-peak periods, services appear to be unduly generous?—Yes, that is a comment one naturally has often heard, and it is a very natural comment for anybody who is not "in the business" to make. It does appear at a glance to many people that there are too many buses in Regent Street or Oxford Street in the middle part of the day, although in fact the average loadings in the Central area between 10 and 4 are generally quite good, but the operation of these Central area services is governed by this consideration, that for the most part the services which look excessive in the main streets in the Central area are composed of a number of quite different services, which subsequently bifurcate, and cannot be reduced to wider frequencies or wider intervals, without serious risk that the loss of traffic receipts beyond the Central area, especially from short-distance riders, would outweigh all the marginal economies effected. The interval in the suburbs as between one bus and the next is vital, after the routes have fanned out. Nevertheless the whole problem, of course, of the operating costs incurred

in the off-peak periods is one which is receiving most constant attention, and recently changes in the traffic demand have permitted some appreciable economies to be made, we believe without material affect—they cannot be without any affect but without material affect—on the amount of traffic attracted, and the volume of receipts.

2337. You are now going to give a few instances of what you have been able to do, particularly in the last year or so, in connection with that matter?—I should like to give that in relation to each group of transport, if I may.

(Mr. Harold Willis): I do not know whether you think that would be a convenient time to adjourn, Sir?

(President): Yes, it is a quarter to one. We will adjourn now until a quarter to two.

(Adjourned for a short time.)

2338. When the Court adjourned, Mr. Valentine, you were just about to give certain details of actual economies you have been able to effect in off-peak road services.—Yes, I was going to deal with each of the modes of transport of the London Transport Executive separately.

2339. And you were going to start with the Road Services?—Yes. Over recent years the gradual decline of traffic from the exceptionally high level to which it rose in 1948 has mainly occurred outside the peak hours, and has been particularly marked in the late evenings and on Sundays. That statement as regards Sundays can, of course, be statistically supported. As regards the late evening, however, that is more a matter of our observation of the traffic than relying on statistical proof, because we do not analyse our statistics by periods of the day. The London Transport Executive have been watching this trend closely in the course of their normal duty to adjust their services as closely as possible in accordance with traffic demands, but particularly bearing in mind that any reduction of off-peak services involving wider intervals between the buses may easily discourage traffic and accelerate the decline.

Now the Festival year of 1951 was clearly not a time to reduce off-peak services, and the Festival was followed by a temporary buoyancy of traffic, except on trolley-buses, in the autumn of 1951 and the early months of 1952. Apart from minor variations in individual services downwards and upwards, such as are constantly required in any case and the modest thinning of certain Sunday services in the winter schedules in late 1951, the only substantial economies which were warranted in the winter of 1951-52 were the reductions of the trolley-bus services introduced at that time, of which I spoke this morning. But during the late summer and early autumn of 1952, it had become apparent that there had been a further decline in off-peak travel, and that particularly the lower level of late evening and Sunday traffic could no longer be hopefully regarded as a temporary phase.

2340. Have you reached the conclusion, Mr. Valentine, that here is what really amounts to something of the nature of a change in social habits?—Yes, I think we have been forced to that conclusion and can support it by reasonable observation. I think it is evident that there has been a real change in social habits affecting the volume of travel both in the evenings on week-days, and on Sundays. It is quite different in the two cases.

So far as the evening traffic is concerned, the London Transport Executive have long persisted with the maintenance of their evening services on a somewhat generous basis, in regard to the traffic offering, in the hope of playing their part in encouraging a revival of movement to something more like its pre-war volume. Although the evening traffic is much slacker than it used to be, there are still some surges of evening traffic, both in the Central area and in the suburbs, when the theatres, cinemas and public houses close, and so on. And for evening sporting events we still get heavy traffic in particular cases, but attendances at most of them have also waned in recent years.

2341. To what really do you mainly attribute—so far as you can say—the change of travel habits in the evening?—Probably the main reasons for the change of habits which have tended to reduce evening travel are these: first, television; secondly an improvement in the housing position, and thirdly (perhaps slightly less so than the first two) a larger proportion of women who go out to work during the day. I hope it is clear how each of these considerations would affect the evening traffic of

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London Transport. It is obvious in the case of television that the possession of a television set at once tends to keep a much larger number of people at home for their entertainment than before, simply because of the attraction they find in watching television.

2342. The fact that they have paid for it, or are about to pay for it by monthly instalments? Yes, and the second reason, that having acquired the television set by past saving, or present instalments, they have less money to spend on other forms of entertainment. Now the expansion of television is very great. The number of households in the London Transport area which had a television set in December, 1952, was 23 per cent. of households; and the growth in the number of television licences in the London Transport area between December, 1951, and December, 1952, is no less than 36 per cent.

So much for television. Then I mentioned another consideration which I think causes what I properly describe as a change in travelling habits—a tendency to go out less in the evening—the improvement in the housing position. There can be little doubt in the minds of any of us that when the young couple—the newly married couple—are still living with their parents-in-law, there are several inducements for them to go out in the evening.

(President): It is the parents that ought to go out!

(Mr. Harold Willis): A point of view that is not always appreciated as much as the other.

(President): It depends on one's age group.

2343. (Mr. Harold Willis): Yes. Well, Mr. Valentine?—I think this is true, not only because of those reverse possibilities that when people are sharing a house in this way they like to see a change of company, but because when they are sharing in this way their family expenses tend to be less, naturally, and they have a margin for spending money when they go out. Now housing in recent years has, of course, been growing very rapidly in London, and the best rough estimate I can get (there is a doubt about the exactness of the figures because we cannot get figures for dwelling houses taken out of use) is that there appears to be over the London Transport something like a 10 per cent. increase in housing accommodation of all kinds since the end of 1947. I have—but I do not think I need detail them—figures of the new houses provided in each year since 1948. For the total London Transport area it is 188,000, 129,000 of those being in greater London.

Well all that must have had an effect on the number of people who desire at any price to go out in the evening. And that is a change which has presumably come to stay. I did mention a third thing—namely, the larger proportion of women who go out to work during the day. It is difficult to get reliably comparable statistics with 1939 on that point, but I think it would generally be accepted that more women do now go out to work than they did pre-war, and that that must have the effect (especially where they are married women) that, as it is only in the evenings that they have an opportunity of doing their housework and darning, they are much more forced to be at home than they were when they were able to do those things during the day and did not go out to work.

Now the President referred this morning to the difference between evening traffic and mid-day traffic, from the point of view of off-peak cheap fares, and as I was saying this morning (in so far as I relied upon the point that there was not a big untapped potential of traffic between 10 and 4 of people who had time to make additional journeys) there is a difference between the middle of the day and the evening, because that point does not affect—does not apply to any important extent at all as regards traffic. But in view of these changes of habit and the greater tendency to stay at home due to television, improved housing and women who go out to work during the day, I think it is unlikely—taking these factors into account—that an alteration in the fares for local journeys would be likely to have much effect—a reduction in fare, that is. But further than that, it has to be remembered that in relation to evening travel of all kinds, on pleasure or additional purposes, people are nearly always involved in spending money, additional to their fare, except in the cases where they are visiting friends. Travel in London generally—and this applies

to the whole day—is seldom an end in itself. People do not just go for a ride. Most of our passengers either travel to earn money (what we call compulsory or peak-hour travel) or to spend it (and that is what we tend to call optional travel), and what they spend is usually much more than what the incidental journey on the way will cost them in London. And any decrease that could be contemplated in our fares in the evening would be a small thing in relation to the total expenditure involved in evening outings in most cases, and in my opinion—and in the opinion of the Commission—there is, in present circumstances, no large increase in evening travel to be induced by any reduction, however dramatic, in London Transport fares.

2344. So much, Mr. Valentine, for the evening prospect. May we now look at the other aspect of the problem—the Sunday traffic?—The Sunday traffic decline is clearly well established. For quite a number of years—four or five, at any rate—it has been evident that Sunday traffic was less important in the total week's traffic than it used to be before the war. And while its explanation must be complex, and there may be other factors, I think the two that stand out (and I will mention what is perhaps the less important one first) are the increased use of private cars, and the general adoption, or the wide-spread adoption, of the five-day week. Of course, the increased use of private cars affects every class of our traffic. I think it may be a matter of some dispute in what degree it affects the off-peak period more than the peak, but it certainly affects all. Sunday traffic is perhaps particularly vulnerable to the use of private cars, and it is in that connection I would particularly mention it. But this widespread change from the five-and-a-half-day week to the five-day week has made quite a considerable revolution in Sunday travelling habits—in fact, Sunday social habits. What appears to have happened is that people who now have the whole day on Saturday free are tending to take on Saturdays the outings and recreation that they used to take on Sundays. The very introduction of the five-day week has, of course, hit our Saturday business traffic quite appreciably. There is a great deal of travelling to work that used to occur on Saturdays which has now gone, but which later in the day is largely made up by a substantial increase in Saturday pleasure movement of all sorts—outings, and so on. And I relate that to the big decline of Sundays. It is not a point that can be proved, but it fits all the known facts, and I think that what has been happening is that we have lost the Saturday business traffic very largely. It has been replaced by outings—transferred from Sundays to Saturdays. And in present circumstances I see no hope of restoring Sunday traffic to a dramatically higher level, or to anything like a pre-war share in the week's traffic by any adjustments of Sunday fares but what it has led to (and this point about fares is, in a sense a digression, because I was speaking of economies in mileage) and what it has made possible is quite a considerable trimming in the Sunday services, so we have been able to make operating economies in part to offset this Sunday loss of traffic.

2345. When you were dealing with your winter schedules, which were introduced in October and November, 1952, did you take these changes in social habits into account?—We certainly had to have regard to the volume of traffic, whether rightly explained or not. But I think these explanations are sound, and in view of the reduced demand, now well established in the evening and on Sundays, it was particularly on those sections of our services that we made substantial adjustments in introducing the winter schedules last October and November.

2346. On the Central buses, did those adjustments of services represent an economy of 3½m. miles per annum?—Yes, and that 3½m. miles comes better into perspective in relation to the total annual mileage of Central buses of 280m. It is from the Transport Commission's point of view perhaps fortunate that these decreases in travel did occur in the evenings and on Sundays, because it is at those times much easier—much more easily than in the middle of the day—for them to readjust the services and thin them out a little, and save crews in the process. Clearly that is true on Sundays without further explanation, but in relation to the week-day evenings not all the crews who are normally working in the evening are sufficient for the evening peak. Some have to be brought on on really late turns to maintain evening services, and

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by adjusting these services and re-scheduling we have been able to make a reduction in crews approximately proportionate to the reduction in mileage.

2347. And that has enabled you, as a result, to effect some substantial economies, has it?—The economies secured are estimated at—roundly—the rate of £250,000 per annum in respect of the mileage saving on Central buses, represented by the new schedules and services introduced just before the end of last year.

2348. You have already dealt with certain adjustments you made in trolley-bus services in 1951—I think it was—Mr. Valentine. Have you been able to make, in connection with these services, certain further modest economies mainly on Sundays?—Yes. The adjustments of the year before, which I described earlier, left little further scope for trimming the trolley-bus services, but some relatively small reduction of mileage—mainly on Sundays—was made in the winter schedules now in force, which involved further economies at the rate of, roundly, £33,000 per annum.

2349. May we deal with the position in regard to the country buses?—The scope for adjustments in country bus services in step with a slight fall of traffic is very much more limited than in the Central area services, because of the much wider intervals generally worked on the country bus services, but nevertheless it was found possible to extend the interval on some of the more frequent of the country bus services. For example, some services were extended from 10 minute intervals to 15, and from 15 minute intervals to intervals of 20 minutes, and were still able to deal adequately with the traffic offering, and that—together with the reduction in Sunday mileage on some routes—represented in total saving at the rate of, roundly, £70,000 per annum on the country buses.

2350. In regard to Green Line Coaches, the position is rather different, is it not, because there you find the tendency is for the demand to grow rather than to recede?—The Green Line coaches are at present, and have been for the last year or so, becoming increasingly popular, and there has been quite a tendency for Green Line coach traffic to grow, and at the present time there is certainly no scope for cutting down any of the Green Line services. If we did, there would be points of inadequacy, which would give rise to complaint.

2351. Just to summarise the results of those economies as far as you have gone, they show this, do they not, that the adjustments you have made at the beginning of the present winter on the road services have resulted in operating economies in a full year of £350,000?—That is right. That is what the figures I have just given add up to.

2352. That is leaving out of account the earlier reductions in the trolley bus services in the winter of the previous year?—Yes, so far as it is road services only.

2353. Road services only, yes. Then I think a matter which you do desire to deal with is the question of the approach to the unremunerative service?—Yes, I think perhaps I should say a little more on that—

2354. You have dealt with it,—although I did deal with it in answering Mr. Poole's question this morning. I did touch upon it, but I will be quite short on the point. Apart from the economies obtainable by the sort of adjustments in the frequency of services which I have just been describing, it could be thought that another fruitful approach would be to take a more ruthless line with unremunerative services by cutting out altogether routes which are running at a substantial loss, but, in view of the obligations of transport authorities, such as London Transport, it is a very difficult matter and would not, in fact, gain public support. In any comprehensive transport system, such as is provided in the London Area, there are, as I was explaining this morning, inevitably more and less remunerative routes including some, and at present in the London Area including many, which are a source of constant loss but which have to be maintained for the proper functioning of the community. Such unremunerative services are not only long established routes, upon which the public have come to rely, but they include, of course, services recently introduced or planned for early introduction, in spite of the fact that they cannot be expected to pay, because undue local hardship would be caused if they were withheld any longer. There is clearly some limit to the proportion

of unremunerative services that can be maintained, and all of them are subject to the closest review, with the object of keeping the loss down to the minimum consistent with the provision of a reasonable public service. But it is not practicable to economise on those routes, on the ground that they are unremunerative routes, by widening intervals or worsening the quality of service without serious danger to the traffic that you have already. An economy in operating costs by reducing the standard of service on such routes can so easily lead many of the potential passengers to resort to walking or cycling or the use of private cars, or even to abandoning their optional journeys altogether, because all our experience goes to show that quality of service has quite a considerable effect of the volume of traffic. As an illustration of that—we cannot prove it precisely—we are fully satisfied with the estimate I gave a year ago, and which is incorporated in the "X" year statement, that when the tram conversion was complete, the more attractive service provided by the new buses in place of the old trams would increase the former tramway receipts by something of the order of 10 per cent, has, in fact, been realised. That is a very big gain, due entirely to quality of service. As a reverse example, as I explained this morning, some of the decline on trolley buses, must undoubtedly be attributed not to a poor service, but to its becoming relatively less attractive than the bus service when the new modern bus was delivered, and that in itself was enough to transfer traffic from trolleybuses to buses. So we have to bear in mind in any trimming of services in an attempt to economise on unremunerative routes, that we can so easily damage the traffic if the standard of service is reduced, and on road services in particular where the average distance travelled involves a journey on the vehicle of little more than ten minutes and where nearly 50 per cent., or 40 per cent., of the passengers ride only for five minutes, that a very few minutes waiting time for the next bus to arrive is obviously quite enough to drive away quite a lot of traffic. So that a reduced service is by no means always a remedy for poor loadings. A reduced service could easily have worse loadings still.

2355. So much for the bus side of the matter. Can we now look at the rail service position. The broad considerations of social habit you have referred to, of course, apply equally to the railways?—Yes, with certain differences.

2356. With certain minor differences.—As regards peak hour travel, there is a rather important difference. The main difference is that there is even less scope on the railways of London Transport than on the road services for reducing the peak services, even at the expense of the standard of service enjoyed by the public, and even if the public would tolerate a less good service in the peaks. The reason for that is that whereas the effect of a reduction of road services in the peak hours would simply be to increase the waiting time of the intending passengers at bus stops without reaction on the running of the service itself, the corresponding procedure on London Transport railways would result in such overcrowding of platforms and trains that loading and unloading at the stations would be slowed down. The station stops for the trains would be consequently lengthened, and as a consequence of that, fewer trains per hour could be worked through the line. Therefore through this vicious circle there would be a real effective loss of line capacity, far exceeding any limited reduction in service which may have been planned in the first place. An inadequate bus service at the peaks merely leaves the passenger on the pavement. An inadequate train service on London Transport can bring the trains themselves to a standstill.

2357. So far as the off-peak rail services are concerned, are there again certain differences as between the rail and the buses?—Yes, in this case mainly the much less amount of flexibility there is in time-tabling a complicated railway system compared with re-scheduling of self contained bus services. Owing to the junction working and the limited capacity of reversing facilities, and the location of reversing facilities on the railway, you cannot so easily alter a time-table to secure a slight economy.

2358. You have nevertheless, have you not, made a close examination of the matter to see whether adjustments can economically be made?—That is rather a different thing. Certainly all the time we make studies, as on the road side, of the rail traffic and of the efficiency of trainmen's

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duty rosters, with the object of adjusting train services as economically as possible to the traffic offering, but also, as on roads, with due regard to the ultimate influence of frequency upon the use made of the services, because even on the railways, which on the whole cater for longer distance traffic, to widen an interval between trains would be inconsistent with building up the exceptional, almost unique, volume of traffic which London Transport railways carry, even in the off-peak periods.

2359. Perhaps you could give an example of that?—We have, in recent years, been able without any major difficulty or unsatisfactory reaction to reduce the total mileage operated on Saturday mornings on the railways. I do not mean to say that the time-tables are so inflexible that we cannot meet a situation like the five-day week. The peak traffic on Saturdays has died away considerably in recent years, and there has been quite an amount of economical trimming of the Saturday morning services on London Transport railways in keeping with the reduced commercial and industrial traffic arising from the five-day week. That, of course, also applies on the roads.

2360. I think you did in fact introduce last November, did you not, some rather more substantial trimming of the off-peak services to take account of the current levels of traffic?—Yes. Just as we made a special review, in view of the slight decline in traffic on the road side, of all the possibilities of making useful economies in off-peak services, so we reviewed the off-peak services on all our railways and introduced, last November, adjustments of mid-day off-peak services on most lines, generally taking the form of a slight widening of the interval between trains on the central sections of the four Tube lines and the District Line, by decreasing the services from 24 to 20 trains per hour. That is between about 10 a.m. and 4 p.m. This had the effect, and must have the effect, of widening also by a few minutes the interval of service on some, but not all, of the outlying sections of the system in the suburbs.

2361. Did you make similar adjustments of the services after the evening peak was over?—Yes, similar, but not identical. If anything, I think we would have saved more mileage in the evening peak; not in total, but in percentage in the evening peak than in the mid-day off-peak period. Altogether these and other slight changes in the off-peak time-tables on London Transport railways reduced the total car mileage at the rate of about 7m. miles per annum and, if maintained, would save in a full year about £125,000 in operating expenses.

2362. The "Y" year estimates of mileage and working expenses which are included in the exhibits take account of this fact and assume, do they not, that this will be the basis of the services?—Yes, and that applies to the road services as well as to the railway mileage with which I have been dealing in these last few minutes.

2363. These reductions to which you have referred are less, are they not, than the fall in traffics would have warranted, because of certain other factors which you have had to take into account?—Yes. I suppose the percentage decline in traffic, whether you base it on 1948 or take a more recent base, will have been rather larger than the percentage reduction in mileage that we have been able to make; but, of course, the volume of traffic offering is not the only consideration by which the time-tables are governed. There, as on road services, even a slight widening of the interval involving a longer average wait for trains marginally reduces the convenience of service to the public, and the consequent addition of even a few minutes to a passenger's total journey time, say, from an outer suburb to the West End, can easily cause quite disproportionate annoyance and create an attitude of mind in which the passenger resolves only to make such journeys as he must.

2364. That is a factor which, particularly in connection with this off-peak travel, you have to take very much into account?—Yes. It is, of course, quite a misconception that all off-peak travel is optional, but there is, on the other hand, quite an element of optional travel in the off-peak period, and it would be very much against the interests of passengers generally in London, or the financial results of London Transport, whichever way you like to put it, to discourage the volume of off-peak traffic that we have built up by frequent services, by widening the intervals too far.

2365. Do you, therefore, conclude that the scope for further economy in off-peak mileage is very limited?—Yes. So far as the railways are concerned, I would say that the limit may well have been reached already, and that further trimming would not be possible even if the volume of traffic were to fall a little further. The risk of discouraging optional traffic by less good services is too serious. The public reaction is so largely governed by the high standards of service to which the passengers have become accustomed in the past.

2366. Now may we pass to a slightly different matter, and that is the consideration of the somewhat unbalanced character of the traffic which offers at the present time?—Of course, in almost all forms of transport—certainly in all urban passenger transport—there is a large amount of quite unavoidable waste in the form of unused accommodation on road vehicles and trains, inevitably caused by unbalanced flows of traffic, unbalanced not only as between different hours of the day, but as between the two directions of one service at a given period of the day, and also between different sections of the same service at a given period of the day.

2367. Do you nevertheless make every possible effort to keep this waste to a minimum?—Yes. Of course, that is the whole art of the highly technical matter of time-tabling and scheduling; but apart from those who are engaged on that highly specialised work, the operating and commercial officials at all levels are always on the look-out for these and report the points at which there is excess of service going to waste, especially if any new evidence of that arises, which might be rectified by some even more ingenious time-table.

2368. If we compare the position pre-war and to-day in relation to the current average loadings per vehicle on road and rail, do we find that the position to-day is better than in 1938-39?—It is in fact, yes, very much better, because just from that angle the average passenger load per vehicle on the whole of London Transport services has increased since just before the war by 19 per cent. Our average passenger load per vehicle is a phrase which I hope explains itself, passenger miles per car mile; the whole of the passenger miles travelled divided by the total car miles run.

2369. That increase in the loading figures is, of course, one of the main factors which has made it unnecessary for you to put up your fares to the extent that costs have gone up, because you are making better use of your vehicles?—It must be, yes. You have got a higher utilisation of the vehicles, on the average, over the whole of the system.

2370. Without any real additional cost at all. I suppose it makes a very trifling additional cost to have a full bus, as compared with a half-empty bus?—Yes, quite.

2371. You do not claim, do you, that this improvement of 19 per cent. in loading is primarily due to the skill and ingenuity of London Transport?—No, not at all. I hope we are always improving marginally in the skill with which we devise our time-tables, duty rosters, and so on, to eliminate waste, especially any waste mileage, which would tend to put up the loading figure, but the scope for that is now quite marginal, and I certainly do not think we can claim credit for the 19 per cent. improvement in loadings as evidence of the skill with which we plan the services. Although I hope it is not less; I think even that is better than before the war.

2372. You have already perhaps sufficiently dealt with this point, that this loading factor is, of course, one of the main explanations for the position of the percentage increase of fares as compared with the percentage increase of costs. I do not know whether we need deal with those percentages any further?—No.

2373. Do you wish to add anything?—I think I would like to say that this increased average loading must be principally explained by the fact that we are getting a higher average loading on the road services in the peak hours than before the war. The peak hour traffic is not being cleared so quickly. Whereas peak hour queuing for road vehicles was a good deal less prevalent before the war and seldom involved waiting for more than five or ten minutes, queuing is now more general, and at the height of the peak period waits of ten to fifteen minutes are not uncommon to-day before a passenger can board a bus. That has meant, of course, that to clear a given

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amount of peak traffic we are using less vehicles and less vehicle miles than we were doing before the war for the same job, at the expense of rather longer waiting by the public. That must be a main factor, though not the only one in the improvement in the average of our loadings over all.

2374. (*Mr. Poole*): Have you any comparisons of the length of the peak period as between now and pre-war, showing whether it has tended to become more concentrated or to last longer? Take the morning peak period, for example—it varies so much in different areas and different places that it would be very difficult to generalise, and an average answer would not be fair, I think, but the peak has become more concentrated in the central area. That is not, of course, by any means the only place where we have peak traffic. Though we are inclined to think of the people coming into and going out of the central area when we speak of the peak traffic of London Transport, that is only part of the story. In London there has been a tendency to a greater concentration of the peak traffic than before the war, especially in the evening.

2375. You have given us a graph of the peaks on the railways—I think that was for the purposes of the 1950 Inquiry, was it not—but we have not one for the road, have we?—Those were some graphs, upon which we did not place very much value ourselves. If I remember rightly, they were produced as the best we could do. We would not have brought them here as exhibits, except at the request of one of the Objectors.

2376. (*President*): That was in 1950?—In 1950. I do not remember any similar bus graph, nor do I think we have adequate material which would mean anything when we put it into a graph. We have for every year—and that can be put on a graph if it is wanted, or in a statistical table—a count of the number of passengers entering the central area of London in the morning three hours of the peak and leaving it in the evening 2½ or 3 hours—I forget which it is, but I think it is from 4.30 to 7—separated by quarter hour periods, and separately attributed to road services, London Transport railways, and Main Line railways. So that we have from that, from year to year, a good picture of the change in the total volume and in the way it spreads itself by quarter hour over the period. When there has been recently from one year to the next a decline in the volume—it has not been occurring every year, but when there has been one—the decline has never been appreciable in the worst quarter of an hour. That remains at its high level all the time.

2377. (*Mr. Poole*): I suppose people find it by their experience, but I do not know whether perhaps with a little publicity some of those who do not have to travel in the peak hour might dodge it?—Yes. I was going to say a word or two, if I might, about staggering of hours in a moment.

2378. (*Mr. Harold Willis*): You do endeavour in your notices in the Underground to try to induce people to travel at non-peak hours, do you not? There has been quite a poster campaign?—Yes. That, I am afraid, in itself has not achieved much, but before we finally leave the 19 per cent. improvement since the war in the average loading per vehicle, I would like to add that I am not explaining it wholly by this increased waiting time, in which the public is involved at the peak hours, because we are providing in effect a slightly more economical service in relation to the traffic offering at the peaks. There is also the fact of a general growth of traffic in the London Transport area since before the war, which it is perhaps as well that I should mention in another connection, because it is often put forward by people, including some of those who are suggesting cheap fares for reviving our declining traffic, that our whole traffic seems to be fading away and that we are killing it by increased fares. It is lower than it was in the peak year of 1948, but what we ought not to lose sight of is that the rides per head of population have gone up on London Transport services since 1938-39 by 12 per cent., and the passenger miles travelled per head of population have gone up 34 per cent. For some of them, of course, we have had to provide new services, extended railways, new bus services to new housing estates, and so on, but there is altogether a greater amount of movement per head of population in the London area than there was before

the war. It is not that we are losing all our traffic; it is that we had a terrific peak year in 1948, as there was similarly after the 1914 war, and that we have declined some little way from that. The outlook is not all hopeless if only we get the fares on to a reasonable level. In addition to that, I think it is perhaps worth mentioning that this increased riding per head must be presumably partly due to the levelling up of the incomes of the lower income groups. There has been a very considerable revolution in this country since 1938, and I think that has brought into the groups that make journeys, or rather engage in pursuits involving travel, a large number of people who were below that income line before.

2379. Do you wish to say anything further on this question of the loading of the vehicles? I suppose that if you were to try and go back to the service which existed before the war, where there was less queuing and fewer people in the vehicles, you could only do that by a considerable extra expenditure?—Yes, that could be done, but that would really bang up our costs heavily. It is clear that the peak hour queues could be cleared more quickly and the waiting time reduced at bus stops, say, something like the pre-war standard, at a price, but it would involve increasing the size of the bus fleet, purchasing, maintaining and manning perhaps 200 or 300 additional buses, which would only be required for the most part to run one trip at the peak hours and to carry not additional traffic, but merely the existing traffic with less delay, and which would be surplus and idle for the rest of the day.

2380. (*Mr. Poole*): Would it create greater congestion? I cannot imagine Oxford Street having any more buses on it at the peak hour than it has at present.—Two or three additional buses an hour on a fairly frequent central area service will make quite a substantial difference to the rate at which the peak hour traffic is cleared. Of course, it may be that most of us in this room only think in terms of the central area, and perhaps even only the West End, but this peak hour problem of waiting in queues occurs not only in the central area, but in all the many large towns, as I might describe them, which form part of London, Watford, Croydon and Woodwich. It is true that if you pick out Oxford Street alone, which is only just a fraction of the picture, there is a saturation point, or at least a risk of reduced speed from the point of view of traffic congestion, but while traffic congestion—and I shall say something about that later—is a serious problem in many parts of London, the central area is really where it is critical.

2381. (*Mr. Harold Willis*): I think you would like to say just a little, would you not, about this question of the possibility of the staggering of working hours?—Yes. I think it was put by someone to Sir Reginald Wilson, and I thought perhaps if the Tribunal cared, I could say a few words about that. We were asked what we had been doing about this problem; would it help, and if so, what action are we taking? Apart from some pre-war publicity making a general appeal for the staggering of working hours, the first positive steps towards anything which could be called organised staggering were taken in 1941. In view of the necessity at that time to carry an increased volume of industrial traffic with transport services which were gravely restricted by shortages of fuel, vehicles and staff, voluntary arrangements were made to introduce a measure of staggering of hours in a number of suburban and industrial areas. The problem at that time, of course, was not so serious in the central area.

2382. Those arrangements were made, were they not, under the auspices of what were known as Local Transport groups?—They were made under the auspices of the London and South-Eastern Area Regional Board, or a body with some such title, an official organisation sponsored by the Board of Trade, I think, and they resulted in the establishment of Local Transport Groups under the Regional Board, or sponsored by them, consisting of representatives of the principal firms in a particular area and representatives of London Transport and the Main Line Railways, if concerned—they would be in each group—and quite an extensive amount of rearrangement of the working times of employees in industry in each of these localities was effected, with a great deal of improvement in the condition of travel of the workers as a result. Long delays to which otherwise they would have been subjected through conflicting closing times of neighbouring factories,

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or factories along the same line of route, and so on, were, if not eliminated, immensely reduced. That was particularly the case where road services were concerned.

By the end of the war there were 53 of these Local Transport Groups, and what is gratifying is that the Group organisations have been continued and still form a valuable piece of liaison machinery between the industrial firms and the transport undertakings. In fact they have grown in number since the war, and there are now 59. With their co-operation, a measure of staggering has been obtained in the suburban areas. The Group Organisation is also used as a means of providing London Transport, and the railways, with advance information regarding changes of employment in the different areas, planning for development, and so forth. So they serve a useful purpose in that way as well.

The opportunity for further staggering of hours on a large scale in these industrial areas is now very much less than when the Groups were originally formed in wartime, because of the good work which has been done already; but the Groups are still active, and at least they are a most effective piece of machinery in ensuring that the ground already gained is not lost. But for that, I think the delays to industry and other traffic in the suburban areas affected would be seriously increased, or considerable expenditure would have to be incurred by London Transport, and ultimately by the public through their fares, in operating many additional buses for peak journeys only.

2383. In regard to the Central Area, has the problem proved a much more difficult one?—Yes. The staggering of hours in Central London is a more intractable problem I think, mainly because the appeal has to be made to much larger numbers of separate firms, employing, on the average, much smaller numbers of staff than in industrial and factory areas. There are many causes, of which another is that so many firms in the commercial centre of a city like London are dependent upon each other, and require common working hours, but none will change unless all change. Nevertheless, in 1946, knowing what a difficult problem it was, a really vigorous attempt was made to introduce some staggering of office hours and a campaign was inaugurated, at the instance of the London Transport Executive, by the Minister of Transport, and given a great deal of publicity, and quite a lot of hard work was put in. It was not just a matter of making appeals. By the end of 1948 over 4,000 firms had been approached, employing nearly 800,000 people of whom 110,000 did alter their times of finishing work, to some advantage from the point of view of transport. Altogether, including 27,500 Government staff, over 70,000 changed their times so as to fall outside the most critical hour from 5 p.m. to 6 p.m., during which, at the beginning of the campaign, about 600,000 people were leaving the Central area by public transport.

The reduction of 70,000 out of 600,000 requiring transport in that hour was a considerable achievement, and it should have represented a useful easing of the excessive peak hour demand, but most unfortunately, at the end of the campaign, the total number of people leaving the Central area between 5 p.m. and 6 p.m. was practically unchanged, not because this 70,000 went back into the period between 5 and 6 p.m., but because at the same time the widespread adoption of the five-day week had added 30 minutes to the daily hours of work of many office workers who previously had been leaving before 5, and no longer came in on Saturday morning but had a half-hour added to their office hours. The consequence was that the measure of staggering achieved did not, in the end, result in an actual relief of the peak hour movement, but it certainly helped, of course, to prevent a serious intensification of it, and to that extent it was a worthwhile campaign. However, we think we explored pretty well all the main possibilities of changes of hours of employment by substantial blocks of office staffs in Central London at that time, and to-day nothing more active is being done than to keep in touch with the firms who adjusted their hours at that time.

London Transport does continue to approach individual firms and individual offices in the Central area where changes of occupation of buildings occur, or new office buildings are brought into use, very often with the advantage that before the working hours of the staff have been settled we have been able to explain to the management the disadvantages of ending at a particular time,

and the advantages of ending at some other time—maybe only a quarter of an hour earlier or later—and when the office hours are set, they are set in the light of that knowledge. They would be much more difficult to change if we left our approach until later. I think, by and large, we have exhausted the possibilities of substantial redistribution of traffic by the action then taken, but we will always have our eyes open for new opportunities to improve the spread of evening peak hour traffic. Probably the most helpful single contribution to the problem that could now be made, if it were practicable—and by mentioning it, I am not implying that it is—would be a general later closing hour of Central area shops and stores, as indeed has been proved by the later opening of some of the shops until 7 p.m. on Thursdays in the last two years, which has had quite a marked and noticeable effect on the severity of the evening peak in Central London on Thursday evenings. We know that would help, but this has been fully explored with the retail trade and without success, mainly I think because of several reasons. If there is any other group from whom we also hope to get more assistance than we have yet received, we think, perhaps again with an insufficient appreciation of difficulties on the other side, that as regards certain problems in the morning peak some of the schools could be more helpful than they are.

2384. I think that is all you desire to say about staggering, is it not?—Yes.

2385. So far you have been dealing with the possibilities of reducing London Transport mileage to save costs by reference separately to road and rail services?—That is so, yes.

2386. Have you also explored the possibility of effecting economies by avoiding wasteful duplication of services by different forms of transport?—Naturally yes, because we look at the whole of the services of the area as one problem from the management point of view. We are constantly examining the possibility that there might be wasteful duplication, which is avoidable.

2387. The mere fact that you find parallel or partly parallel road and rail services in the London Area does not generally involve, does it, such waste?—No, because as regards the generality of road and rail services whether London Transport or Railway Executive, London Lines, the full capacity of them is commonly required at the peak hours and at all times the functions of the two are rather different. The railways mainly cater for longer distance traffic, or for such short distance passengers as desire to travel from the immediate vicinity of one station to the immediate vicinity of another. The road services, on the other hand, mainly cater for passengers who wish to start or end their journeys, or both, at points intermediate between the railway stations, and generally, of course, as the analysis of traffic shows, for much shorter rides.

2388. What is the average distance travelled on London Transport railways?—5.59 miles.

2389. And what is the comparative figure on the Central Road Services?—2.19 miles.

2390. Nevertheless you could quote examples, could you not, of bus services being withheld in spite of some public demand because there is already, in the view of the Executive, an adequate rail service available?—Yes. We have been pressed quite hard by one or two local authorities to institute bus services, which one does not deny would be of some public convenience, but which are not necessary in our view as we regard it as part of our job to run services as economically as possible so as to keep fares down, because there is an adequate rail service available sufficiently well serving the same area.

2391. I think in some cases where you have carried out rail extensions such as the Central Line extension eastwards, and the Shenfield electrification, you have in fact been able to reduce road services?—Yes. On a major railway extension like the Central Line extension eastwards, and the electrification of the Shenfield Line, we had an opportunity, of course, which we seized, to make quite considerable reductions in some of the road services which were paralleling those lines of route, and in particular in the case of the Green Line coaches paralleling the line of the Shenfield extension, substantial mileage was cut—I think that was mentioned at the last inquiry—in order to avoid uneconomic duplication.

2392. Of course in the case of the London Transport Executive those adjustments can be made naturally and

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quickly, because your whole system is managed as a co-ordinated unit?—Yes. There are separate operating departments for road and rail, but the co-ordinating Commercial Department is common for road and rail, and in any event the road and rail operating managers and their subordinates at all levels are frequently meeting. This line, as you say, is one co-ordinated unit, so that the risk of waste through failure to co-ordinate road and rail services does not really arise in London Transport, because any such thing immediately comes to light.

2393. Do you also take great care, by the provision of proper liaison machinery, to see that similar co-ordination exists between London Transport and the Railway Executive?—Yes. That is also of long standing and not only an invention of the last few years, because there has been, of course, since 1933, a considerable common interest between the main line railways and the London Passenger Transport Board through a pooling scheme in which they had a common interest in the traffic receipts of the area. Certainly since those days there has been machinery for co-ordinating services to avoid wasteful duplication, which I think has been further improved by experience, and which is certainly useful.

2394. Reference has been made already, I think, to the closing of the redundant and unremunerative bus lines outside London where the traffic can be adequately served by road, but has the same process gone on in London itself?—Yes. We have had the case of the West London line, for example, between Kensington and Willesden, and again the service between Broad Street and Poplar, which have been permanently suspended in recent years, always, no doubt, with some small part of the traffic slightly inconvenienced by losing these services, but they have been suspended because they were uneconomic in view of the adequate alternative facilities available. Similarly, demands for the restoration of certain rail services, such as on the Churchbury Loop in Enfield, mentioned I think by one of the Objectors, have been resisted on similar grounds, that these things would be all very well if we could afford waste, but when the passengers have to pay the cost of that in the end, it is our duty, to the best of our judgment, to prevent such waste occurring.

2395. Have you also closed a number of little-used stations in the London Area where you could secure economies and where the traffic could be adequately served without those stations?—Yes, I think that is mainly on the Railway Executive, London Lines, but certainly that has been done. You would have to go back a few years now to find a station on the London Transport system which has been closed on those grounds, but that has been done.

2396. (President): Is there a station at the British Museum now?—No. There used to be a station on the Central Line between Tottenham Court Road and Chancery Lane called British Museum, but then there was no station at Holborn. There was only a Holborn Station on the Piccadilly Line. Because they had been built by independent companies, the two lines had made no arrangement for an interchange, which was a great misfortune. Therefore the British Museum Station was closed and a new station was built in the Central Line at the point of intersection at the top of Kingsway, so as to give a low-level connection for passengers between the two services. That is why there is no British Museum Station now. It was a replacement at another point.

2397. Of course there was a replacement of the old Chancery Lane Station, was there not?—No, Chancery Lane Station is still there.

2398. But not at the same point?—I think the platforms are at the same point. What has happened there is that, as in many other cases where a station was originally built with a lift service, and the lifts were more or less vertically over the position of the running tunnels where the stations were, escalators have been substituted which, coming up at an incline, come out at a different point, usually a more convenient point, if we are skilful in arranging it. I think that is all that has happened at Chancery Lane.

2399. (Mr. Harold Willis): Now may we deal shortly with the possible scope for economies by increased speed on your services? Mr. James, I think, did refer to that in one of his figures, that one of the elements of economy was this question of speed?—Yes.

2400. I think you desire to say a little more about that?—Certainly there is a field in which the immediate scope for

progress is again quite small, but which nevertheless is quite important from the point of view of cost, namely the speed at which the road services are run. An increase in speed generally involves some additional cost for fuel, in wear and tear, and often in the capital cost of the equipment, if it is large enough, but so far as the road services of London Transport are concerned, an increase above the present speed, if workable, would tend to reduce costs, on balance, because of the greater use that can be made of vehicles and crews at higher speeds. If the journey-time of a bus route can be reduced, not only does that save the passenger's time, but there is always a prospect that the same passenger-carrying capacity can be provided and the same frequency or interval of service maintained with fewer vehicles and crews. The round trip is done more quickly. The London Transport Executive and their predecessors, therefore, have always sought the co-operation of their staff in obtaining the highest speeds which can be worked in the traffic conditions prevailing, consistent, of course, with safety and with reasonable regularity of service.

2401. Of course, nothing is more important, is it in operating a bus service, than the maintenance of its regularity?—No, I think after safety regularity is the first and most important virtue in the type of bus service that we are dealing with in London. By regularity of service I mean equal intervals of time between each bus and the next on the same route. In London traffic conditions the maintenance of regularity in that sense is a very difficult problem because delays due to traffic congestion, traffic lights, pedestrian crossings and so on may hit successive buses in very different ways. I suppose few private motorists could guarantee that they could complete a number of journeys over exactly the same route from one side of London to the other, even at the same time of day, within one or two minutes of a given time. A sequence of buses sent off on a long cross-London route at regular intervals but left to be driven as the mood of the individual driver and traffic conditions dictated, would not arrive at the far end of the route in any recognisable pattern at all, or even in the same order. Even before they reached the most congested central area and certainly after they emerged from it they would be found in bunches and with variable gaps. I suppose over two-thirds of the route nothing of a regular service would be provided at all. Many of the buses would be practically empty and wasted, running on each other's tails, while others, following a long gap in the service, would be besieged by waiting traffic, lose further time in the process of stops, and then we would start leaving passengers behind.

2402. To avoid that state of affairs is it absolutely essential that your running should be in accordance with a planned time-table?—Yes.

2403. (President): And planned time-tables should be adhered to?—Yes, that is quite correct; but even so you get in small measure some of the kind of conditions that I have just been describing as the inevitable result of leaving the buses to be driven at random speeds. It is essential, in order to get any attempt at a regular and efficient road service operated by several thousands of buses, that their running should be based on planned time-tables as you say. Now it is essential also that the running times allowed by these planned time-tables should be realistic, and in fact they are determined by making a very large number of tests over the particular routes. But even so, it is unavoidable that some vehicles, having an easier passage than the rest, will get ahead of their place in the schedule, which has then to be corrected by a measure of slow running to restore the proper spacing and to avoid the creation of an ever-widening gap.

2404. (Mr. Harold Willis): Is that called "crawling", which we have all experienced in buses when we are in a hurry?—That is what gives rise to admittedly the most irritating phenomenon properly known as crawling, which however, if properly done is always the lesser of the two evils, because nothing is worse than a long gap in the service with no bus at all. Just as it is possible, and indeed inevitable, that some of the buses in London traffic conditions should inadvertently get ahead of their proper position and have to run slowly to restore it for a short distance, so it is unavoidable that other vehicles, having a more difficult passage than the rest through a section of the road, get behind their place in the schedule and run late at some point on the route. In order to allow for this, the schedule of the running time has to be designed

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so that such a vehicle has a reasonable chance, if not too seriously delayed, of catching up by running a little faster than the normal running time allowed by the Transport Tribunal over the easier sections of the road.

2405. Has a great deal of serious study gone into the question of settling the optimum journey times on each route?—Yes, I think that can fairly be said. There is a great deal of study of how the timings are set.

2406. And I suppose with changing traffic conditions the matter has to be constantly reviewed?—Yes, it is not possible to settle a running-time of any route with any conviction that it is going to be the right running-time for any great period of time ahead. Changes in traffic conditions and further experience do call for adjustments and constant review. Indeed, this whole business is fundamental to the most important operating task of the operating department in the search for this ideal of complete regularity, exactly even spacing of vehicles which we would like to obtain but never quite obtain.

2407. But notwithstanding the difficulties over the years, has the average schedule speed achieved been rising gradually?—Yes. That does not represent any change of view as to the manner in which running-times should be settled, but the average schedule speed of central buses—we can go back to 1930—was then 9.32 miles per hour, but with the new and improved type of bus has risen quite sharply to 10.17 miles per hour by 1933. From that figure it crept up to 10.66 miles per hour by 1939. During the war, of course, the conditions altered in several ways, helpful and unhelpful. Reduced traffic on the streets in daytime greatly eased conditions, but blackout worked the other way. When the blackout difficulties ended we emerged from the war period with a considerable improvement in the average running-time of central buses due to lighter traffic, and the average scheduled speed at the beginning of 1946 was 11.34 miles per hour.

2408. Then, of course, the traffic began to get thicker again and I think by January, 1948, Mr. Valentine, the figure had dropped back a little?—Yes. The figure I gave, 11.34 miles per hour, applies to the beginning of 1946. As you say traffic was still very light at that time and it had gradually increased to very much worse conditions even by January, 1948, and that was before de-rating of petrol and adjustments to running-times of certain routes had the effect of bringing the average back to 11.15 miles per hour in January, 1948.

2409. Since that date, and specially since the de-rating of petrol, has there been an immense increase in the volume of London street traffic?—Yes, since January, 1948, the increase in the volume of London street traffic has been very heavy, and a considerable drop in the average schedule speed of buses might have been expected for that reason.

2410. What, in fact, has been the result?—Well, so far from falling, the average speed has not only been maintained at the 1948 level of 11.15 miles per hour, but has actually been increased to the present average, to the average figure of 11.21 miles per hour.

2411. What has been the main factor in that improvement?—That improvement has been made possible mainly by the gradual replacement of the pre-war buses, by the present standard of double-decked bus with its greatly improved acceleration and performance, and the secondary factor is the easing of traffic conditions in South London by the removal of the trams.

2412. Is this improvement still a little in its infancy, Mr. Valentine, and not yet fully completed?—It may be past the stage of infancy, but it is not yet fully complete. Most of the advance since 1948 has taken place quite recently, most of it had to wait until whole routes or groups of routes running on the same roads had been equipped with the new R.T. buses, but individual routes have been re-timed with the co-operation of the staff whenever opportunity has offered.

2413. (Mr. Sewell): What do the miles per hour represent, is it the actual running-time?—End to end of journey, including all stand time.

2414. (Mr. Harold Willis): Of course, two or three minutes does not sound a very great deal, but it has some very important repercussions on the money.—The increase altogether may sound extremely slight in these four years, 11.15 miles per hour to 11.21 miles per hour, but even half of this small improvement resulting from

faster running-times adopted in the last six months or thereabouts has yielded saving in vehicles and crews amounting to £100,000 per annum. The real contribution of the R.T. bus to operating savings of this kind is, of course, much greater than that because without it longer running times and slower average schedule speeds would have been forced upon us during recent years by growing traffic congestion.

2415. That saving of £100,000, which I think was the figure referred to by Mr. James as well, has resulted from improved speeds on central buses only?—Yes. That figure only relates to central buses, and all the figures of speeds per mile at different dates so far given were central buses.

2416. Has the introduction of the R.T. bus also made possible some improved running-times on some country buses?—Yes, it has, and with consequent savings on some of them of vehicles and crews worth £35,000 per annum.

2417. Of course, it may be said that there may be a small increased fuel consumption due to the higher speed to set off against that?—There is that risk, but it will only, I imagine, be a small offset. In any event, it cannot be quantified reliably at present.

2418. In the various bits of evidence you have just been given you have referred to figures for economies. Perhaps it would be convenient if I were perhaps to summarise them. The first figures you gave related to reductions in off-peak mileage, trolley buses in early 1952, £125,000; Central buses in late 1952, £250,000; trolley buses in late 1952, £30,000?—Yes.

2419. Country buses, late 1952, £70,000; railways, late 1952, £125,000. Then improved running-time, Central buses, £100,000; country buses, £35,000?—Yes.

2420. Making a total of no less than £735,000?—That is right, yes, from the items I have mentioned.

2421. It will be recalled that a figure of £1m. a year was mentioned by Lord Latham in his Press Conference?—Yes, it was these items I have just been explaining that were behind his statement.

2422. May we just make this point quite clear, the whole of those economies have been taken into account in the figures which Mr. James gave two or three days ago?—Yes. That is certainly correct. These are all reflected in the "Y" year figures.

2423. We have been dealing up to now with the operation side of the picture. Now I want to turn to something rather different, and that is the—you can deal with it, I think, fairly shortly—promotion of the utmost economy in the administration of the London Transport undertaking?—That is naturally continually and vigorously sought, and is in fact a first preoccupation of the management and of the undertaking at all levels.

2424. I think you want to take a little time, Mr. Valentine, in dealing with perhaps the most important matter of all, budgetary control?—I think it is important because it explains the kind of overall machinery which the Executive have for exercising a general control, and which enables them to learn quickly of any unforeseen change in the level of expenditure, and deals with it. For this purpose we have a device, which is not peculiar to London Transport, but I think it might be well to explain how it works, called budgetary control. What happens is that a budget is prepared in the late autumn of each year for the following year covering every item of the receipts and expenses concerned with the operation of the business, in the same detail as that in which the actual results will be presented when they are known. For domestic purposes we employ an accounting system which records expenditure against the departmental officer who is responsible for incurring it, which is a salutary arrangement, and budgeting is carried out in the same way. The departments responsible for incurring the engineering, operating or administrative costs are thus required to think a year ahead about their income and expenditure, and to set down the probable extent of their operations and their cost. These departmental budgets are prepared by the departments themselves, but in collaboration with the accounting department. When they are completed, or at first in draft they are subjected to critical review, and any issues of policy which arise or are likely to arise out of the proposed operations are thrown up for consideration and the complete budget is finally approved by the Executive as a whole.

18 March, 1953]

MR. ALEXANDER BALMAIN BRUCE VALENTINE

[Continued]

2425. Does the budget on the expenditure side, Mr. Valentine, provide a forecast for the following year as close as it is possible to foresee?—That is right, and it is then broken down into four weekly periods. This entails the expenditure being looked at in advance of events instead of only in retrospect, as would be the case if the practice of budgeting were not followed. That is by no means the only purpose of a budget. It also forms an essential element in the means by which control is exercised over departmental activities. The budget neither implies authority to spend a given amount of money nor does it impose a rigid limit upon the money which each department may spend, but it does set a standard of performance which each department is expected to achieve. The departments must live within their budgets and endeavour, if possible, to do their job more cheaply than the budget provides. They are expected not to overspend unless there is a particularly good reason for an expenditure which could not have been foreseen and which can be justified to the Executive. The departments themselves have taken part in the budget; in fact, it is they who have initiated the figures and they must therefore accept them as yardsticks. Four-weekly statements of expenses, available within about three weeks after the period to which they relate, show department by department details of the actual working expenses contrasted in the budget and supported by a good deal of statistical information which enables each departmental officer to see just what he has spent, how he is measuring up to the standard which the budget has set, as well as how the performance has been working out generally in terms of the improvisation of manpower and equipment.

2426. And you will find, Mr. Valentine, naturally that the departmental chiefs scrutinise their expenditure in relation to these authorised budget figures in the preparation of which they have taken such a prominent part?—Naturally they do. They want to see how close they are getting to the targets that they have had a hand in setting for themselves, and they have to, in any event, arm themselves with the necessary explanation for the information of the Executive if items of the expenditure for which they are responsible depart too widely from the budgetary expectations. On occasion, of course, the Executive will call for special reports or discussions on the particular items of expenditure which appear to require investigation and possibly remedial action.

2427. (President): I understood you, Mr. Valentine, to say the budget itself is broken down into four-weekly periods?—Yes.

2428. So each four weeks there is the comparison between the actual and the budget.—Yes, within three weeks after the period. On the receipt side the lag is not quite so great, but you can understand on the expenses budget

it takes some little time to get out the documents—which are given in quite considerable detail. That is how the top level management keeps a finger on the situation.

2429. I think it might be worth while your dealing with the increases and decreases of your staff since 1948.—Yes, I thought I might conclude by giving you the figures of staff of London Transport, because salaries and wages account for some two-thirds of the total working expenses which are brought under constant review by the budgetary system which I have just described. The total number of staff of London Transport has fallen from 100,798 to 97,132 in the last four years; that is to say from the end of 1948 to the end of 1952, a drop of 4 per cent.

2430. That decrease in staff, Mr. Valentine, ought to be related, ought it not, to the job done?—That is right. That should be related, I think, to the fact that the total route miles served have increased between 1948 and 1952 by nearly three per cent. Train miles operated by London Transport trains have increased by 5.1 per cent. and car miles on the roads have increased by 1.3 per cent.

2431. I think that concludes the main part of your proof. There are just certain figures in relation to the miscellaneous charges which are within your tables with which you are going to deal at a little later stage if you may.—Yes, please.

2432. There is one other figure I think which you might conveniently prove at this stage, which is not even at the moment in your own exhibits, but it appears on the 401 series, that is the figure in connection with the London Transport services of miscellaneous £0.4m. You recall the figure? It is not detailed in any of your other estimates, but do you prove that figure, Mr. Valentine, in this way, that it is made up of two main heads, freight traffic on the one hand and miscellaneous traffic on the other?—Yes.

2433. Is the figure you have put in for "Y" year for those two items £0.4m?—Yes.

2434. I think the figures for 1952, on which this is largely based, are freight traffic £297,000 and miscellaneous £136,000?—That is correct, and those two figures added together make £433,000 for 1952 and the figure in "Y" year is virtually unaltered. It was £345,000 in 1950. As the "Y" year budgets are to the nearest £100,000, it represents £0.4m. in "Y" year receipts.

2435. And that does represent an increase of £0.1m. as compared with the figure which was included in "X" year estimates?—That is right, which itself was merely the 1950 figure adopted for the purpose of "X" year. It was a total of £345,000 in 1950, called £0.3m. in "X" year.

2436. And that accounts for the £0.1 difference?—Yes, that is right.

Cross-examined by Mr. MacLAREN.

2437. I think first, on behalf of those instructing me, I should congratulate you on the accuracy of your estimates for "X" year. As we were leading on the attack of those on the last occasion, I thought I ought to do that. I would like, if I may, to look at and compare the figures for passenger journeys between 1950 and 1952. In the 1950 Report—?—What document are you going to use for that purpose?

(Mr. MacLaren): The Annual General Report for 1950.

(President): You have said, Mr. MacLaren, passenger journeys for what years?

2438. (Mr. MacLaren): 1950 with 1952. It is page 434 of the 1950 Report. I would like to compare it with the same table for 1952. It is 236 in that Report.—It is not coming out until May or June.

2439. I beg your pardon—the four-weekly figures. I think the total passenger journeys for 1950, London Transport Executive, were 3,836m. and for 1952?—I have not found it yet.

(President): Are you talking about the services as a whole?

(Mr. MacLaren): If you please. May I take the road service figure first. I understand that—that is the figure

I have been given—for the road services as a whole the total is 3,836m.

(President): It is near enough to the Report—3,840m.

(Mr. MacLaren): And for the 1952 road services, 3,692m.

(President): That is from the current Statistics?

2440. (Mr. MacLaren): The current Statistics, yes; that means there was a drop of 144m. in those two years.—I have not the 1952 figures.

(Mr. Harold Willis): Which page of the Statistics?

(President): 38.

(Mr. MacLaren): I have been provided with a calculation of the estimated loss shown in E.T.C. 218 series of tables, C, D and G, and I am told that those total 229m. passenger journeys when calculated back.

(President): Mr. MacLaren, we have not much longer to go, so would it be easier for you if we adjourn now?

(Mr. MacLaren): Much easier.

(President): There seems to be some slight stoppage in the lines of communication!

(Mr. MacLaren): There is. I would be most grateful if we could adjourn now.

(Adjourned until to-morrow morning at 10.30 o'clock.)